# Debating Case on the Neg

## Format

For each 1AC below, you should prepare a 1NC on case using the strategies we’ve just discussed. Both sides can use any of the case materials released at camp. Assume you’re also reading the below off case positions. We will begin with the CX of the 1AC.

1AC – below

CX of 1AC—2 minutes

1NC—3.5 minutes

CX of 1NC—1 minute

2AC—2 minutes

CX of 2AC—1 minute

2NC—3.5 minutes

CX of 2NC—1 minute

1AR—1.5 minutes

2NR—1.5 minutes

## BIT 1AC

### Relations

#### Negotiations over a bilateral investment treaty are stalling now- China wants CFIUS reforms but the US refuses to change its stance

Moran ‘15

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For more than a decade, China has complained about what it maintains has been a pattern of erratic and politicized treatment of Chinese investors when they attempt to acquire US companies- Chinese authorities remain stung in particular by the political backlash in Washington provoked in 2005 when the China National Offshore Oil Corporation (CNOOC) attempted unsuccessfully to acquire the American oil company Unocal. Although the deal was aborted by politics, and not any official finding of security concerns, the Chinese have targeted the Committee on Foreign Investment in the United States (CFIUS) as a focus of their criticism. The Chinese want the committee, an interagency group that reviews foreign acquisitions of US companies for possible threats to the national security of the United States, to be more open and transparent in its rulings and to not discriminate against Chinese firms but instead treat Chinese acquisitions on an equal basis in comparison with acquisitions by firms of other nationalities. The United States is not likely to accede to the Chinese demands in any formal or legal manner. In a world of geopolitical tensions, acquisitions by firms from potential adversary countries will inevitably receive disproportionately intense scrutiny. Assessments by US intelligence agencies will remain secret so as not to reveal "sources and methods." Discussions with the Chinese about addressing their demands have been a major part of negotiations on a bilateral investment treaty (BIT), but as of September 2015, progress on the issue has stalled despite efforts to complete agreement at the time of the visit of President Xi Jinping to Washington and Seattle. It has become increasingly apparent that the United States is not prepared to change CFIUS's substantive procedures as China wants.

#### Relations flailing now- BIT is the key internal link to revitalize them

Zhang ‘15

Chin Chin Zhang is a M.A. candidate for International Trade & Investment Policy at George Washington University's Elliott School of International Affairs in 2016. Her study integrates the political, economic and financial dynamics of global currents, with regional focuses on the United States, European Union and China. She worked in the financial services industry while earning her B.S. in Applied Mathematics from University of California-Los Angeles – From the article - “In Response: Simple Ingredients for the Sino-American Partnership” - International Affairs Review - Volume XXIII, Number 3 • Summer 2015 – available at: http://www.iar-gwu.org/sites/default/files/articlepdfs/China%20Special%20Issue%20DOC%20C%20-%2003%20Simple%20Ingredients%20-%20Zhang.pdf

Whenever interests between states get convoluted, scholars seize the opportunity to march ambitiously toward long-term relationship-building. They do so under the assumption that the best way to avoid great-power conflict is by emphasizing mutual interests in the long run. Unfortunately, too forward-looking an approach can easily diverge from the core issues at present, yielding ankle-deep analyses, biased standpoints, and vulnerable arguments. Florick and Cronkleton's "Remapping China-United States Relations" offers hopeful cooperative ventures rather than pragmatic solutions to prevent a negative spiral in Sino-American relations. The authors fashion opportunities for collaboration in the defense and social realms to diversify the existing economics-heavy approach and to reduce mistrust. Yet the measures put forward by the authors do not factor in Beijing's perspective and often demand total concession from China. Despite their optimistic vision across defense, economic, and social issues across different timeframes, the authors fail to acknowledge China's strategic priorities. In radical contrast to the well-briefed U.S. strategic priorities from the 2015 National Security Strategy, China's strategic priorities are only "broadly spoken" as to "defend sovereignty, maintain territorial integrity and support development" - a very incomplete summary. China's latest national security document states Chinese diplomatic priorities as, in order of importance: "Collaborate with Russia (Kflfe), Attract the EU (fegfc), Calm the US. The strategy identifies China's top national security concern as "the U.S.-led Western attitude on China's domestic policies, territorial dispute and ocean rights."2 The low priority assigned to the United States on China's diplomatic agenda contrasts with its top position as a defense priority. This evidences Beijing's defensive stance toward a distrusted Washington, a stance that cannot be addressed by merely peripheral mutual interests. First and foremost, ongoing terrorism and territorial disputes challenge both nations' priorities. For China, sovereignty issues reign supreme, while the United States is more concerned with terrorism and the stability of the international order. Florick and Cronkleton argue that China should join counter-terrorism operations against the Islamic State of Iraq and al-Sham (ISIS), reasoning that Beijing may face a direct future threat from returning fighters. The scenario is not far-fetched, as Beijing was informed by Israel last year that about a thousand Uighurs had joined ISIS.3 Yet China will have little interest in cooperative counter-terrorism efforts until the threat manifests - and may believe that cooperating with those very efforts will make it an immediate target. In August 2014, President Obama labeled China a "free-rider" in the Middle East.4 To the Chinese public, such a label exaggerated China's economic prowess and downplayed Beijing's contribution in the post-war reconstruction effort in Iraq. Regardless of Obama's true intention-perceived disrespect is enough to insulate trust. To move forward. Washington could initiate an open conversation with Beijing, express hopes of further cooperation in the Middle East, recognize China's past contributions in the region, and offer future cooperation on combating terrorism aimed at China. Similar problems plague the authors' identification of Chinese territorial disputes for short-term resolution possibilities. The authors suggest establishing a "quota system for naval and aerial incursions and a moratorium on personnel landings on the disputed territories off China's coast." This is an entirely U.S.-centric view absent recognition of China's historical governance of the South China Sea that dates back to 210 BC a fact that equals "effective governance" under international law.6 No other issue is more pertinent to Chinese sovereignty than the South China Sea dispute. If the United States desires shared leadership with China, it should maintain a neutral position on South China Sea issues to avoid unnecessary damage to mutual trust. In contrast to the defense and political spheres, economic factors are so far the most-developed aspect of the U.S.-China relationship. Massive trade flows already bond the two parties' interests despite disputes in other arenas. The authors caution against weighting the relationship too heavily toward economic ties, but fail to realize that bilateral trade and investment issues hold the greatest potential for mutually beneficial partnership opportunities. Moving forward, both parties need to constantly adjust public-private dynamics to better meet market needs and accommodate firms from the other state within relevant legal frameworks. In the outlook for trade and investment, two general challenges remain, the larger of which is protectionist policies. The authors suggest that the United States and China "increase transparency and openness in business-government relationships and lift protectionist tactics in the interests of cooperation and building good will." This echoes the current trend in Sino-American relations. A Bilateral Investment Treaty (BIT), initiated in June 2014 and completed in March 2015, agrees to provide protections for the other country's foreign investors.7 If the BIT transitions from paper to reality, China will attract increased foreign direct investment and reduce its heavy reliance on manufacturing exports and debt-financed investment, while the United States could further penetrate the Chinese market and even gain early stakes in a liberalized financial market envisioned in Xi's reform agenda. The United States needs to smooth concerns over its loss of domestic employment, while China needs to take serious measures to ensure fairness to foreign investors with the exact set of rules and protections agreed upon in the BIT.

#### The tipping point is coming now - US-Sino ties are key to *check military encounters*, *coop on transnational issues*; and *economic welfare in both nations*.

Lampton ‘15

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Today, soon after May 4th and in the context of the 70th anniversary of the end of WWII, the question is whether or not America and China can, again, find such vision and leadership in today’s far different circumstances. My purpose in the frank remarks to follow is not to depress or offend, but rather to motivate all of us to push events in a better, more mutually beneficial direction. My spirit is at one with Minister Li’s exhortation that we “amplify what we have in common.” For eight U.S. and five Chinese administrations, Washington and Beijing maintained remarkable policy continuity—broadly speaking, constructive engagement. This continuity has persisted despite periodic instabilities, problems, and crises. Some of these developments required time, flexibility, and wisdom to heal. They sometimes left scar tissue. But, none of these challenges ever destroyed overall assessments in both our nations that we each had fundamental, shared interests requiring cooperation and that the costs of conflict outweighed possible gains. Assessments of relative power in both countries for much of the last four decades created few incentives in either society to rethink fundamental policy. Chinese seemingly were resigned to “live with the hegemon,” as one respected Chinese professor put it, and Americans were secure in their dominance and preoccupied with conflicts elsewhere. After the 9/11 attacks on America, China was seen as non-threatening, indeed willing to use some of its resources in the “War on Terror.” In a reflective moment after the 9/11 attacks, then Ambassador to China Sandy Randt delivered a speech to Johns Hopkins–SAIS in which he said, “We have seen the enemy, and it is not China.” In the economic realm, expectations for growth in each society created common interests that subordinated many underlying frictions, whether economic or human rights. The positive balance between hope and fear tipped behavior toward restraint and patience. Things unfortunately have changed dramatically since about 2010. The tipping point is near. Our respective fears are nearer to outweighing our hopes than at any time since normalization. We are witnessing the erosion of some critical underlying supports for predominantly positive U.S.-China ties. Though the foundation has not crumbled, today important components of the American policy elite increasingly are coming to see China as a threat to American “primacy.” In China, increasing fractions of the elite and public see America as an impediment to China’s achieving its rightful international role and not helpful to maintaining domestic stability. Former Australian Prime Minister Kevin Rudd put it well, characterizing the narrative of an unidentified Chinese Communist Party document [perhaps the new National Security Blue Book], and analogous American thinking, in the following terms: “In Beijing’s eyes the U.S. is deeply opposed to China’s rise … American strategy toward China, it said, had five objectives: to isolate the country, contain it, diminish it, divide it, and sabotage its political leadership.” The American narrative, as Rudd described it, is hardly more positive about Beijing: “Beijing’s long-term policy is aimed at pushing the U.S. out of Asia altogether and establishing a Chinese sphere of influence spanning the region.”[1] Since about 2008, there has been a sequence of regional and global developments and incidents that have provided fertile soil in which these negative narratives have grown in each of our societies. Among them are: the 2008 financial crisis, incidents in Hong Kong, developments in the south and east China seas, U.S. inability to quickly exit Middle Eastern and Central Asian quagmires, and the confusion in America and elsewhere about where China is headed internally and in terms of its foreign policy. Current Chinese debate over western (universal) values, subversion, and “black hands” unsettles most outside observers, not least Americans. What is happening? If developments continue along the current trajectory, both countries will have progressively less security, at higher cost; the probabilities of intentional, accidental, or catalytic violent confrontations will increase; the world will enjoy less cooperation on transnational issues requiring joint Sino-American efforts; and, economic welfare in both societies will be diminished. What can be done?

#### US-Sino relations checks a laundry list of problems like territorial conflict and climate change

Rudd ‘15

Kevin Rudd, President of the Asia Society Policy Institute and former Prime Minister of Australia. In February 2014, he was named a Senior Fellow with John F. Kennedy School of Government at Harvard University, where he completed a major research effort on the future of China-United States relations. – “The 'New Normal' of Bilateral Relationships” – Beijing Review - NO. 21 - May 18, 2015 - http://www.bjreview.com.cn/print/txt/2015-05/18/content\_688317.htm

If the [United States and China] can conclude the bilateral investment treaty, this will be a huge impetus. Regionally, there are significant differences in terms of different territorial claims in areas around China's coast, in the East China Sea and the South China Sea. Globally, great cooperation has already begun in the area of climate change. But I conclude with this. If the two governments have a strategic framework to manage their differences, and to expand their areas of cooperation, they may in time discover that they have in the 21st century a combined purpose. What is that combined purpose? There are so many threats out there common to China and common to the United States, that they start to be much larger than any disagreements China might have with the United States, or the United States may have with China. When I look at terrorism, it's an external threat to China and to the United States, and to all civilized peoples. It's a threat to order. When I look also at other areas, we've mentioned, of course, the problem of climate change, but then, its offshoots such as food insecurity and water insecurity. And the list goes on. External threats to financial stability, external threats to other forms of stability as well. So my argument is that if we focus on the things that unite rather than the things that divide, there will be a large unleashing of political energy to deal with underlying problems in the relationship as well.

#### SCS conflict goes nuclear

Wittner ‘11

(Lawrence S. Wittner, Emeritus Professor of History at the State University of New York/Albany, Wittner is the author of eight books, the editor or co-editor of another four, and the author of over 250 published articles and book reviews. From 1984 to 1987, he edited Peace & Change, a journal of peace research., 11/28/2011, "Is a Nuclear War With China Possible?", [www.huntingtonnews.net/14446](http://www.huntingtonnews.net/14446))

While nuclear weapons exist, there remains a danger that they will be used. After all, for centuries national conflicts have led to wars, with nations employing their deadliest weapons. The current deterioration of U.S. relations with China might end up providing us with yet another example of this phenomenon. The gathering tension between the United States and China is clear enough. Disturbed by China’s growing economic and military strength, the U.S. government recently challenged China’s claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was “asserting our own position as a Pacific power.” But need this lead to nuclear war? Not necessarily. And yet, there are signs that it could. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during the conflict over the future of China’s offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would “be used just exactly as you would use a bullet or anything else.” Of course, China didn’t have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, nuclear saber-rattling persists. Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven’t been very many—at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan’s foreign secretary threatened that, if the war escalated, his country felt free to use “any weapon” in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan. At the least, though, don’t nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn’t feel deterred, for, throughout the Cold War, NATO’s strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing “Star Wars” and its modern variant, national missile defense. Why are these vastly expensive—and probably unworkable—military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might? Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over five thousand nuclear warheads, while the Chinese government has a total inventory of roughly three hundred. Moreover, only about forty of these Chinese nuclear weapons can reach the United States. Surely the United States would “win” any nuclear war with China. But what would that “victory” entail? A nuclear attack by China would immediately slaughter at least 10 million Americans in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. The Chinese death toll in a nuclear war would be far higher. Both nations would be reduced to smoldering, radioactive wastelands. Also, radioactive debris sent aloft by the nuclear explosions would blot out the sun and bring on a “nuclear winter” around the globe—destroying agriculture, creating worldwide famine, and generating chaos and destruction.

#### US-Sino ties through a BIT is key to de-escalate tensions near Taiwan.

Shambaugh ‘15

David Shambaugh is a professor of political science and international affairs at the George Washington University, as well as a non-resident senior fellow at the Brookings Institution. David is regarded inside and outside China as an authority on China's foreign policy, military and security issues and Chinese politics, and has been cited in the state media. He is a regular media commentator, and has acted as an advisor to the United States government and several private foundations and corporations. He was formerly the editor of the China Quarterly, and is a member of the Council on Foreign Relations –“Sino-US relations: Divorce is not an option” – Straits Times - June 12th - http://www.straitstimes.com/opinion/sino-us-relations-divorce-is-not-an-option

Despite this overall macro climate in the relationship, the US and China still have to coexist, and to do so peacefully if at all possible. We have business to do with each other - both commercial and diplomatic business. Perhaps the most immediate opportunity - and one that would give an enormous boost to the relationship - would be the conclusion of a bilateral investment treaty. But negotiating this treaty is hung up in the queue behind the Trans-Pacific Partnership agreement. Given the difficulty the White House is having getting that agreement finalised and through Congress, there may be little appetite in Washington to conclude an investment treaty with China this year. Also high on the agenda at present is the real need to forge practical cooperation on a number of so-called "global governance" issues, including North Korea, Iran, the Islamic State in Iraq and Syria, Afghanistan, counterterrorism, anti-piracy, climate change, maritime security, economic stability, energy security, sea-lane security, and setting global rules for cyber activity. To date, China has been extremely reluctant to collaborate openly with the US on such global governance issues, but now it possibly seems more feasible. This is because President Xi has personally endorsed more "proactive diplomacy" by China in the global governance arena. This will not solve the problems in US-China relations, but it will help. The upcoming Strategic and Economic Dialogue and Mr Xi's September state visit to Washington are golden opportunities to discuss these issues, try to forge tangible cooperation, and arrest the negative dynamic in the relationship. The question is whether it will be temporary again, or a real "floor" can be put beneath the relationship. If the past is any indicator, we should not expect too much. What worries me is that in this increasingly negative and suspicious atmosphere, "tests of credibility" will increase. The best we can probably hope for over the next two to three years - as President Obama becomes a lame duck and the election cycle stimulates more heated rhetoric about China - is tactical management of the relationship, with sensitivity to each side's "red lines" and "core interests", while hoping that no "wild card" events occur. This could include another military incident in the air or at sea, or renewed tension over Taiwan. Even the current situation in the South China Sea has real potential to haemorrhage, as China is not going to stop its island- building activities and hence will not meet American demands that it do so. Or if China, having fortified the islands, proclaims an air defence identification zone over the South China Sea. What is Washington to do then? The potential for military confrontation is not insignificant. So, looking to the future, the key responsibility for both countries is to learn how to manage competition, keep it from edging towards the conflictual end of the spectrum, while trying to expand the zone of practical cooperation.

#### That goes nuclear

Glaser ‘11

Charles, political science professor at George Washington University, “Will China's Rise Lead to War? Why Realism Does Not Mean Pessimism”, Foreign Affairs, Vol. 90, Iss. 2

The prospects for avoiding intense military competition and war may be good, but growth in China's power may nevertheless require some changes in U.S. foreign policy that Washington will find disagreeable- particularlyregarding Taiwan. Although it lost control of Taiwan during the Chinese Civil War more than six decades ago, China still considers Taiwan to be part of its homeland, and unification remains a key political goal for Beijing. China has made clear that it will use force if Taiwan declares independence, and much of China's conventional military buildup has been dedicated to increasing its ability to coerce Taiwan and reducing the United States' ability to intervene. Because China places such high value on Taiwan and because the United States and China-whatever they might formally agree to-have such different attitudes regarding the legitimacy of the status quo, the issue poses special dangers and challenges for the U.S.-Chinese relationship, placing it in a different category than Japan or South Korea. A crisis over Taiwan could fairly easily escalate to nuclear war, because each step along the way might well seem rational to the actors involved. Current U.S. policy is designed to reduce the probability that Taiwan will declare independence and to make clear that the United States will not come to Taiwan's aid if it does. Nevertheless, the United States would find itself under pressure to protect Taiwan against any sort of attack, no matter how it originated. Given the different interests and perceptions of the various parties and the limited control Washington has over Taipei's behavior, a crisis could unfold in which the United States found itself following events rather than leading them. Such dangers have been around for decades, but ongoing improvements in China's military capabilities may make Beijing more willing to escalate a Taiwan crisis. In addition to its improved conventional capabilities, China is modernizing its nuclear forces to increase their ability to survive and retaliate following a large-scale U.S. attack. Standard deterrence theory holds that Washington's current ability to destroy most or all of China's nuclear force enhances its bargaining position. China's nuclear modernization might remove that check on Chinese action, leading Beijing to behave more boldly in future crises than it has in past ones. A U.S. attempt to preserve its ability to defend Taiwan, meanwhile, could fuel a conventional and nuclear arms race. Enhancements to U.S. offensive targeting capabilities and strategic ballistic missile defenses might be interpreted by China as a signal of malign U.S. motives, leading to further Chinese military efforts and a general poisoning of U.S.-Chinese relations. Given such risks, the United States should consider backing away from its commitment to Taiwan. This would remove the most obvious and contentious flash point between the United States and China and smooth the way for better relations between them in the decades to come. Critics of such a move argue that it would result in not only direct costs for the United States and Taiwan but indirect costs as well: Beijing would not be satisfied by such appeasement; instead, it would find its appetite whetted and make even greater demands afterward-spurred by Washington's lost credibility as a defender of its allies. The critics are wrong, however, because territorial concessions are not always bound to fail. Not all adversaries are Hitler, and when they are not, accommodation can be an effective policy tool. When an adversary has limited territorial goals, granting them can lead not to further demands but rather to satisfaction with the new status quo and a reduction of tension.

#### US-Sino ties can break global inaction on climate change- can galvanize allies

Florick ‘15

et al; Davis Florick is a master's candidate in East-West Studies at Creighton University. His areas of concentration include, but are not limited to. East Asia and former Warsaw Pact and Soviet Union states. He was recently interviewed, in print, by Voice of America regarding North Korean tunnels under the Demilitarized Zone and. on television, with Consider This... where he discussed the recent upheaval in Ukraine. He has also been published in International Affairs Forum, the World Business Institute. and previously in International Affairs Review. “Remapping U.S.-China Relations: A Holistic Approach to Building Long-Term Confidence and Transparency” – International Affairs Review - Volume XXIII, Number 3 • Summer 2015 – available at: http://www.iar-gwu.org/sites/default/files/articlepdfs/China%20Special%20Issue%20DOC%20C%20-%2002%20Remapping%20US-China%20Relations%20-%20Florick%20and%20Cronkleton.pdf

Perhaps no two countries have a greater impact on energy and environmental security strategy than China and the United States. China finds itself in an incredibly resource constrained environment without the necessary environmental and resource management capabilities. Moreover, the consequences of environmental degradation are not limited to any particular location and must be solved multilaterally to shape not only the United States and China's own domestic policies, but also those of their global partners and allies. Beijing and Washington's advocacy for things such as resource preservation and environmental sustainability is vital to raising awareness and funding. The long-term commitment required to solve these systemic issues further necessitates U.S.-Chinese cooperation. By developing joint resolutions, Beijing and Washington will stand a much better opportunity of garnering international support for real, positive change.

#### Climate Change is real and anthropogenic

EDF ‘9

[Environmental Defense Fund, a US-based nonprofit environmental advocacy group, “Global Warming Myths and Facts,” 1/13/2009, http://mrgreenbiz.wordpress.com/2009/01/13/global-warming-myths-and-facts-2/]

**There is no debate among scientists about the basic facts of global warming**. The most respected scientific bodies have stated unequivocally that global **warming is occurring, and people are causing it** by burning fossil fuels (like coal, oil and natural gas) and cutting down forests. The U.S. National Academy of Sciences, which in 2005 the White House called "the gold standard of objective scientific assessment," issued a joint statement with 10 other National Academies of Science saying "the scientific understanding of climate change is now sufficiently clear to justify nations taking prompt action. It is vital that all nations identify cost-effective steps that they can take now, to contribute to substantial and long-term reduction in net global greenhouse gas emissions." (Joint Statement of Science Academies: Global Response to Climate Change [PDF], 2005) The only debate in the science community about global warming is about how much and how fast warming will continue as a result of heat-trapping emissions. Scientists have given a clear warning about global warming, and we have more than enough facts — about causes and fixes — to implement solutions right now. MYTH Even if global warming is a problem, addressing it will hurt American industry and workers. FACT A well designed trading program will harness American ingenuity to decrease heat-trapping pollution cost-effectively, jumpstarting a new carbon economy. Claims that fighting global warming will cripple the economy and cost hundreds of thousands of jobs are unfounded. In fact, companies that are already reducing their heat-trapping emissions have discovered that cutting pollution can save money. The cost of a comprehensive national greenhouse gas reduction program will depend on the precise emissions targets, the timing for the reductions and the means of implementation. An independent MIT study found that a modest cap-and-trade system would cost less than $20 per household annually and have no negative impact on employment. Experience has shown that properly designed emissions trading programs can reduce compliance costs significantly compared with other regulatory approaches. For example, the U.S. acid rain program reduced sulfur dioxide emissions by more than 30 percent from 1990 levels and cost industry a fraction of what the government originally estimated, according to EPA. Furthermore, a mandatory cap on emissions could spur technological innovation that could create jobs and wealth. Letting global warming continue until we are forced to address it on an emergency basis could disrupt and severely damage our economy. It is far wiser and more cost-effective to act now. MYTH Water vapor is the most important, abundant greenhouse gas. So if we’re going to control a greenhouse gas, why don’t we control it instead of carbon dioxide (CO2)? FACT Although water vapor traps more heat than CO2, because of the relationships among CO2, water vapor and climate, to fight global warming nations must focus on controlling CO2. Atmospheric levels of CO2 are determined by how much coal, natural gas and oil we burn and how many trees we cut down, as well as by natural processes like plant growth. Atmospheric levels of water vapor, on the other hand, cannot be directly controlled by people; rather, they are determined by temperatures. The warmer the atmosphere, the more water vapor it can hold. As a result, water vapor is part of an amplifying effect. Greenhouse gases like CO2 warm the air, which in turn adds to the stock of water vapor, which in turn traps more heat and accelerates warming. Scientists know this because of satellite measurements documenting a rise in water vapor concentrations as the globe has warmed. **The best way to lower temperature and** thus reduce **water vapor levels is to reduce CO2 emissions.** MYTH Global warming and extra CO2 will actually be beneficial — they reduce cold-related deaths and stimulate crop growth. FACT **Any beneficial effects will be far outweighed by damage and disruption.** Even a warming in just the middle range of scientific projections would have devastating impacts on many sectors of the economy. Rising seas would inundate coastal communities, contaminate water supplies with salt and increase the risk of flooding by storm surge, affecting tens of millions of people globally. Moreover, extreme weather events, including heat waves, droughts and floods, are predicted to increase in frequency and intensity, causing loss of lives and property and throwing agriculture into turmoil. Even though higher levels of CO2 can act as a plant fertilizer under some conditions, scientists now think that the "CO2 fertilization" effect on crops has been overstated; in natural ecosystems, the fertilization effect can diminish after a few years as plants acclimate. Furthermore, increased CO2 may benefit undesirable, weedy species more than desirable species. Higher levels of CO2 have already caused ocean acidification, and scientists are warning of potentially devastating effects on marine life and fisheries. Moreover, higher levels of regional ozone (smog), a result of warmer temperatures, could worsen respiratory illnesses. Less developed countries and natural ecosystems may not have the capacity to adapt. The notion that there will be regional “winners” and “losers” in global warming is based on a world-view from the 1950’s. We live in a global community. Never mind the moral implications — when an environmental catastrophe creates millions of refugees half-way around the world, Americans are affected. MYTH Global warming is just part of a natural cycle. The Arctic has warmed up in the past. FACT The global warming we are experiencing is not natural. **People are causing it**. People are causing global warming by burning fossil fuels (like oil, coal and natural gas) and cutting down forests. Scientists have shown that these activities are pumping far more CO2 into the atmosphere than was ever released in hundreds of thousands of years. **This buildup of CO2 is the biggest cause of global warming**. Since 1895, scientists have known that CO2 and other greenhouse gases trap heat and warm the earth. As the warming has intensified over the past three decades, scientific scrutiny has increased along with it. Scientists have considered and ruled out other, natural explanations such as sunlight, volcanic eruptions and cosmic rays. (IPCC 2001) Though natural amounts of CO2 have varied from 180 to 300 parts per million (ppm), today's CO2 levels are around 380 ppm. That's 25% more than the highest natural levels over the past 650,000 years. Increased CO2 levels have contributed to periods of higher average temperatures throughout that long record. (Boden, Carbon Dioxide Information Analysis Center) As for previous Arctic warming, it is true that there were stretches of warm periods over the Arctic earlier in the 20th century. The limited records available for that time period indicate that the warmth did not affect as many areas or persist from year to year as much as the current warmth. But that episode, however warm it was, is not relevant to the issue at hand. Why? For one, a brief regional trend does not discount a longer global phenomenon. We know that the planet has been warming over the past several decades and Arctic ice has been melting persistently. And unlike the earlier periods of Arctic warmth, there is no expectation that the current upward trend in Arctic temperatures will reverse; the rising concentrations of greenhouse gases will prevent that from happening. MYTH We can adapt to climate change — civilization has survived droughts and temperature shifts before. FACT Although humans as a whole have survived the vagaries of drought, stretches of warmth and cold and more, entire societies have collapsed from dramatic climatic shifts. The current warming of our climate will bring major hardships and economic dislocations — untold human suffering, especially for our children and grandchildren. We are already seeing significant costs from today's global warming which is caused by greenhouse gas pollution. Climate has changed in the past and human societies have survived, but today six billion people depend on interconnected ecosystems and complex technological infrastructure. What's more, **unless we limit the amount of heat-trapping gases we are putting into the atmosphere, we will face a warming trend unseen since human civilization began** 10,000 years ago. (IPCC 2001) The consequences of continued warming at current rates are likely to be dire. Many densely populated areas, such as low-lying coastal regions, are highly vulnerable to climate shifts. A middle-of-the-range projection is that the homes of 13 to 88 million people around the world would be flooded by the sea each year in the 2080s. Poorer countries and small island nations will have the hardest time adapting. (McLean et al. 2001) In what appears to be the first forced move resulting from climate change, 100 residents of Tegua island in the Pacific Ocean were evacuated by the government because rising sea levels were flooding their island. Some 2,000 other islanders plan a similar move to escape rising waters. In the United States, the village of Shishmaref in Alaska, which has been inhabited for 400 years, is collapsing from melting permafrost. Relocation plans are in the works. <continues…> Scarcity of water and food could lead to major conflicts with broad ripple effects throughout the globe. Even if people find a way to adapt, the wildlife and plants on which we depend may be unable to adapt to rapid climate change. While the world itself will not end, the world as we know it may disappear. MYTH Recent cold winters and cool summers don’t feel like global warming to me. FACT While different pockets of the country have experienced some cold winters here and there, the overall trend is warmer winters. Measurements show that over the last century the Earth’s climate has warmed overall, in all seasons, and in most regions. Climate skeptics mislead the public when they claim that the winter of 2003–2004 was the coldest ever in the northeastern United States. That winter was only the 33rd coldest in the region since records began in 1896. Furthermore, a single year of cold weather in one region of the globe is not an indication of a trend in the global climate, which refers to a long-term average over the entire planet. MYTH Global warming can’t be happening because some glaciers and ice sheets are growing, not shrinking. FACT In most parts of the world, the retreat of glaciers has been dramatic. The best available scientific data indicate that Greenland's massive ice sheet is shrinking. Between 1961 and 1997, the world’s glaciers lost 890 cubic miles of ice. The consensus among scientists is that rising air temperatures are the most important factor behind the retreat of glaciers on a global scale over long time periods. Some glaciers in western Norway, Iceland and New Zealand have been expanding during the past few decades. That expansion is a result of regional increases in storm frequency and snowfall rather than colder temperatures — not at all incompatible with a global warming trend. In Greenland, a NASA satellite that can measure the ice mass over the whole continent has found that although there is variation from month to month, over the longer term, the ice is disappearing. In fact, there are worrisome signs that melting is accelerating: glaciers are moving into the ocean twice as fast as a decade ago, and, over time, more and more glaciers have started to accelerate. What is most alarming is the prediction, based on model calculations and historical evidence, that an approximately 5.4 degree Fahrenheit increase in local Greenland temperatures will lead to irreversible meltdown and a sea-level rise of over 20 feet. Since the Arctic is warming 2-3 times faster than the global average, this tipping point is not far away. The only study that has shown increasing ice mass in Greenland only looked at the interior of the ice sheet, not at the edges where melting occurs. This is actually in line with climate model predictions that global warming would lead to a short-term accumulation of ice in the cold interior due to heavier snowfall. (Similarly, scientists have predicted that Antarctica overall will gain ice in the near future due to heavier snowfall.) The scientists who published the study were careful to point out that their results should not be used to conclude that Greenland's ice mass as a whole is growing. In addition, their data suggested that the accumulation of snow in the middle of the continent is likely to decrease over time as global warming continues. MYTH Accurate weather predictions a few days in advance are hard to come by. Why on earth should we have confidence in climate projections decades from now? FACT Climate prediction is fundamentally different from weather prediction, just as climate is different from weather. It is often more difficult to make an accurate weather forecast than a climate prediction. The accuracy of weather forecasting is critically dependent upon being able to exactly and comprehensively characterize the present state of the global atmosphere. Climate prediction relies on other, longer ranging factors. For instance, we might not know if it will be below freezing on a specific December day in New England, but we know from our understanding of the region's climate that the temperatures during the month will generally be low. Similarly, climate tells us that Seattle and London tend to be rainy, Florida and southern California are usually warm, and the Southwest is often dry and hot. Today’s climate models can now reproduce the observed global average climates over the past century and beyond. Such findings have reinforced scientist’s confidence in the capacity of models to produce reliable projections of future climate. Current climate assessments typically consider the results from a range of models and scenarios for future heat-trapping emissions in order to identify the most likely range for future climatic change.

#### The impact is billions of deaths.

Cummins ‘10

(Ronnie, International Director – Organic Consumers Association and Will Allen, Advisor – Organic Consumers Association, “Climate Catastrophe: Surviving the 21st Century”, 2-14, http://www.commondreams.org/view/2010/02/14-6)

The hour is late. Leading climate scientists such as James Hansen are literally shouting at the top of their lungs that the world needs to reduce emissions by 20-40% as soon as possible, and 80-90% by the year 2050, if we are to avoid climate chaos, crop failures, endless wars, melting of the polar icecaps, and a disastrous rise in ocean levels. Either we radically reduce CO2 and carbon dioxide equivalent (CO2e, which includes all GHGs, not just CO2) pollutants (currently at 390 parts per million and rising 2 ppm per year) to 350 ppm, including agriculture-derived methane and nitrous oxide pollution, or else survival for the present and future generations is in jeopardy. As scientists warned at Copenhagen, business as usual and a corresponding 7-8.6 degree Fahrenheit rise in global temperatures means that the carrying capacity of the Earth in 2100 will be reduced to one billion people. Under this hellish scenario, billions will die of thirst, cold, heat, disease, war, and starvation. If the U.S. significantly reduces greenhouse gas emissions, other countries will follow. One hopeful sign is the recent EPA announcement that it intends to regulate greenhouse gases as pollutants under the Clean Air Act. Unfortunately we are going to have to put tremendous pressure on elected public officials to force the EPA to crack down on GHG polluters (including industrial farms and food processors). Public pressure is especially critical since "just say no" Congressmen-both Democrats and Republicans-along with agribusiness, real estate developers, the construction industry, and the fossil fuel lobby appear determined to maintain "business as usual."

### Protectionsim

#### *Vague CFIUS definitions* and *bilateral arm twisting* sparks international protectionism- the aff is key to reverse that

Georgiev ‘8

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The frequent political opposition to foreign acquisitions can be driven not only by genuine national security concerns, but also by protectionist impulses. Consequently, the regulatory regime that is in place strives to pay due attention to the former and to filter out the latter, all within the framework of keeping the United States open to foreign investment. Success in achieving this goal depends on several specific choices made in the design of the mechanism for reviewing transactions. As a starting point, the review process is likely to yield different results depending on whether the primary oversight responsibility lies within the executive branch or is shared with Congress or the courts. Furthermore, the U.S. framework has a significant impact on other jurisdictions’ regulatory posture with regard to foreign investment. If the United States is seen as using national security review to engage in protectionism, this could provoke a protectionist backlash in other parts of the world and hurt U.S. companies. Similarly, other jurisdictions could take advantage of inadequacies in the U.S. regulatory regime and divert foreign investment away from the U.S. economy through more liberal laws.5 The Foreign Investment and National Security Act of 2007 (the Act), 6 which was signed into law on July 26. 20077 and went into effect on October 24, 2007, is the latest effort to modify and update the regulatory framework governing the foreign acquisition of U.S. companies. This Comment describes the most important changes introduced by the Act and evaluates the extent to which the updated legislation strikes a reasonable balance between addressing national security concerns and maintaining the openness of the U.S. economy. I. The Structure of CFIUS Review The origins of the current regulatory system can be traced back to 1975, when President Gerald Ford created the Committee on Foreign Investments in the United States (CFIUS), an interagency body within the executive branch chaired by the Department of the Treasury. The Department of the Treasury originally tasked CFIUS with monitoring the impact of inbound foreign investment and coordinating U.S. investment policy. The President's power to act in this domain was formalized by the International Investment Survey Act of 1976.9 In the 1980s, mounting concerns over the acquisition of U.S. firms by Japanese and British investors prompted Congress to introduce a system of formal review of these transactions through the Exon-Florio Amendment to the Defense Production Act of 1950.10 The Amendment authorized the President to investigate the effect of foreign acquisitions on U.S. national security and. acting based on "credible evidence." to suspend or prohibit acquisitions that might threaten national security.11 Prior to the Amendment, foreign acquisitions could be blocked only if the President declared a national emergency or regulators found a violation of federal antitrust, environmental, or securities laws. Congress acted again in 1992, adding a statutory requirement for CFIUS to carry out mandatory investigations of transactions where the acquirer is "controlled by or acting on behalf of a foreign government," and "seeks to engage in an acquisition that could affect the national security of the United States.'"12 The regulatory regime was developed further through a series of Executive Orders13 and Department of the Treasury implementing regulations.14 CFIUS presently has twelve members, including the Secretaries of State, the Treasury, Defense. Homeland Security, and Commerce: the U.S. Trade Representative: the Chair of the Council of Economic Advisers; the Attorney General: the Directors of the Office of Management and Budset and of the Office of Science and Technology Policy: the Assistant to the President for National Security Affairs: and the Assistant to the President for Economic Policy.15 The process of CFIUS review can begin either with a voluntary notice from a party to a potential transaction or on recommendation from a CFIUS member agency that believes a given transaction might affect U.S. national security.16 In practice, however. CFIUS has not initiated reviews but has instead encouraged parties to not-yet-notified sensitive transactions to file a notice voluntarily.17 Neither the statute nor the implementing regulations provide a definition of "national security," but they do contain a non-exhaustive list of factors that may be considered when determining whether a threat to national security exists. These factors include domestic production needed for projected national defense requirements, the capability and capacity of domestic industries to meet national defense requirements, the control of domestic industries and commercial activity by foreign citizens as it affects the capability and capacity of the United States to meet national security requirements, the potential effects of an acquisition on sales of military goods, equipment, or technology to countries supporting terrorism or raising proliferation concerns, and the potential effects on U.S. technological leadership in areas affecting national security.18 Even though the 2007 amendments responded to several points of criticism, they did not change the core structure of the CFIUS process. Currently, after it receives notice of an acquisition, CFIUS may begin a thirty-day review to determine whether the transaction could pose a threat to national security.19 At the end of this period, the Committee may conclude that no such threat exists and end the review, or it may commence a forty-five-day investigation. Upon the conclusion of the investigation, the Committee is required to submit a report to the President containing its recommendations.20 Within fifteen days, the Office of the President may suspend, prohibit, or order certain modifications to the transaction through a mitigation agreement, or it may permit the acquisition by not taking any action. Regardless of the outcome, it must submit a report to Congress explaining its decision.21 This structure resembles the two-stage merger review process under the Hart-Scott-Rodino Act of 1976." but understandably involves much less transparency given the sensitive nature of national security information. For this reason, and also because the executive's findings are not subject to judicial review, the confidence in the Hart-Scott-Rodino regime cannot be automatically transposed onto the CFIUS framework. The main benefit of a voluntary CFIUS filing for companies is that any notified transaction with potential national security implications enjoys a regulatory safe harbor, immunizing it against subsequent reviews or actions by the President except in cases where the parties have engaged in misrepresentations during the CFIUS process.25 In contrast, a transaction without a voluntary filing with CFIUS that subsequently raises national security concerns can be reviewed and unwound by the President at any time, even long after closing. Another benefit of filing involves the opportunity for informal guidance whereby the regulator and the company discuss the adequacy of the filing and the expected shape of the CFIUS process. Although such guidance can help companies to provide relevant information and not waste resources on a transaction that is unlikely to be approved, the dialogue between the regulator and companies has halted in the aftermath of the DP World controversy." Most criticisms of the CFIUS review process have been prompted by the high-profile acquisitions of the past few years. Prominent among the criticisms was the view that because CFIUS is chaired by the Department of the Treasury, economic concerns would prevail over national security concerns. Furthermore, the definition of "national security" was sometimes interpreted too narrowly and the list of factors used to evaluate national security threats was viewed (considered) as too vague. There have been arguments to include "energy security" or even "economic security" as part of that definition. Finally. Congress has complained that the review process is not sufficiently transparent and that the White House has taken a hands-off approach, resulting in reviews that are not sufficiently detailed.26 When evaluating these criticisms, it is important to remember that the number of foreign acquisitions that require CFIUS review is very small and that the potential for harm in the form of negative business attitudes towards U.S. firms abroad is disproportionately large. For example, among the over 1500 notices filed with CFIUS between 1988 and 2005. the Committee found it necessary to open an investigation in only twenty-five cases. After investigation, thirteen proposed transactions were withdrawn, while twelve transactions were sent to the White House.28 The President has used the authority to block a transaction only once, in 1990.29 Even assuming that the withdrawn transactions would have resulted in a prohibition, problematic transactions would still comprise less than one percent of all notified transactions. The transactions which CFIUS needed to investigate comprise only two percent of the total number of notified transactions. It should also be remembered that ex ante control of foreign acquisitions is not the only way to ensure that such transactions do not threaten national security. Problems can certainly arise outside of a change of corporate ownership or control and. consequently, there should be appropriate mechanisms for detecting and remedying such problems. The CFIUS process should be seen as a small complement to more comprehensive monitoring mechanisms and not as a tool that can address national security concerns all by itself. Filially, it is helpful to bear in mind that unsubstantiated alarmist statements could originate from parties that are not unbiased or disinterested, e.g.. politicians representing domestic constituents with economic stakes, or spurned bidders who would benefit directly if a transaction falls through. The possibility that foreign acquisitions could be threats to national security is a serious one, but it should not become a pretext for the stealth promulgation of policies in other areas, or for the defense of labor, environmental, and industrial special interests. The importance of striking an appropriate balance between openness to foreign investment and the protection of national security is highlighted by two emerging trends. First, sovereign wealth funds have come to play a larger and more visible role in the global market for investment and then targets frequently include U.S. companies. Second, the increased interplay between the regulatory frameworks of countries seeking to attract foreign investment suggests that the CFIUS regime can have unintended international effects. The global marketplace has seen the emergence of a new investor type— sovereign wealth fluids that are either directly or indirectly controlled by national governments.30 As recent transactions have shown, the prototypical new purchasers of major assets, such as a British groceiy store chain (Sainsbury's). large blocks of shares in global banks (Barclays and Citigroup), or a U.S. stock exchange (NASDAQ) are government-controlled Chinese companies and the sovereign investment fluids of petrol-rich Gulf states.31 The substantial depreciation of the U.S. dollar in 2007 " has made U.S. assets much cheaper for foreign-based entities, be they governments, companies, or individual investors. Domestic politicians may view some of these entities with suspicion, but the capital inflows they bring are needed for the continued economic strength of the United States. On a more global scale, the modifications and the ongoing performance of the framework regulating foreign investment in the United States are closely monitored by other countries and could well set the tone for the degree of openness to such investment worldwide. In recent years, a number of jurisdictions have begun establishing CFIUS-style bodies or procedures, including major U.S. trade partners, such as China.35 Canada.54 Germany.35 and the European Union. Maintaining attractiveness to foreign investment therefore requires a relative assessment that compares the domestic CFIUS framework with those of other recipient countries. Some countries view the U.S. regime as unnecessarily onerous and could attempt to create more investment-friendly frameworks that would divert foreign investment away from the United States. Others, such as China, could use national security review as a pretext for blocking U.S. purchases of domestic assets, or at least for raising their cost. Finally, the increased prevalence of arguments that use the concept of "national industrial policy" could work to strengthen the protectionist tendencies that already exist in certain European countries.37 Even in cases where the regulatory regimes do not differ formally, the cost of generating negative publicity through politicization can be substantial. In the case of DP World, for example. CFIUS approved the acquisition through its regular review process, but members of Congress and other political and economic actors criticized and ultimately unraveled part of the transaction by forcing the sale of DP World's U.S. assets. Analysts have suggested that as a result of this episode, foreign investment in the United States originating from the United Arab Emirates alone fell by over $1 billion in 2006.38

#### China mirrors US CFIUS enforcement. Stricter Chinese policies make *global protectionism* and *economic decline* inevitable.

Bu ‘12

Qingxiu Bu – PhD and Professor in Law, Centre of Transnational Legal Studies, *Georgetown University* -- “China's National Security Review: a tit-for-tat response ?” - Law and Financial Markets Review, vol 6:5, pps. 343-356 – obtained via the Taylor & Francis Database

The Huawei case represents another high-profile rejection of Chinese acquisitions on national security grounds. The unsuccessful transaction may not indicate general hostility to Chinese investment. It shows CFIUSs interest in protecting critical technology within the context of its broad mandate of national security.71 Huawei—3Leaf reveals a starkly different philosophy about risk management between China and the West. Chinese management normally show substantial flexibility which enables them to take advantage of regulatory grey areas. This kind of strategy, reflected in Huawei' borderline approach, resulted in CFIUS unwinding the deal retrospectively. The West takes a bright-line rule approach, ie CFIUS must reject a deal if the transaction presents any national security risks which cannot be mitigated. From a governance perspective, Huawei 3Leaf indicates that it is of paramount importance for Huawei to integrate the national security implications into its general cross-border expansion scheme. This episode serves as a reminder to Chinese SWF-based investors of the perils they may face if ill-prepared for the CFIUS review process,72 and also highlights the utmost significance for them to conduct regulatory and political risk due diligence prior to entering into a transaction. The rejection of the Huawei-3Leaf transaction might be interrelated as part of a broader protectionist shift in US investment policy under the FINSA 2007 umbrella. It is argued that Congress might have interfered in the deals under the pretext of national security.73 CFIUS exercises broad and vague discretion to assess national security on a case-by-case basis, which may result in inconsistent interpretations. This precipitates an increasingly unpredictable atmosphere for FDI in the US. The two cases highlight the necessity to balance legitimate national security concerns with the importance of domestic economic growth and development.74 Ideologically, the US's safeguarding measures are likely to have a great influence upon how China will shape its own foreign investment regulations and procedures.75 After all, China has long been mirroring the US's operational models in most sophisticated legislative reforms and judicial practice. The continually perceived use of the CFIUS as a tool of economic protectionism could lead to retaliation in the form of restriction of US foreign investment.76 If the US is seen as using national security review to engage in protectionism, this could provoke a protectionist backlash.77 China may view the US's actions in CNOOC—Unocal as a hostile attempt to prevent Chinas overseas expansion. There is concern that such protectionist actions would lead to a form of legalised isolationism in China.78 As it was openly alleged: "[I]f an economy will use national security as a [criterion] for entry of sovereign wealth funds, we will be reluctant to tap the market because you are not sure what will happen ... national security should not be an excuse for protectionism."79 Given the perceptions of broader protectionism that the rejection of an individual deal can foster,80 it is worth examining whether China's newly established NSR system could be considered a tit-for-tat reaction. China’s national security considerations are embedded in a complex regime and are currently entrenched in an additional opaque level of regulatory review.81 With the substantial increase in cross-border M&As, China has launched a long-anticipated state-level NSR mechanism for the purpose of regulating inbound M&As in sensitive industries. A multi-ministry panel has been established and jointly headed up by the National Development and Reform Commission (NDRC) and MOFCOM. An NSR can be initiated by the relevant government agencies or within the upstream or downstream industries of the target.82 As the gatekeeper for referring deals to the NSR Panel, MOFCOM liaises with relevant entities to obtain necessary details. Additional government agencies with close relevance to a particular acquisition will be involved in participating in the NSR Panel on an ad hoc basis.83 For each transaction, a "lead agency" with the greatest interest or expertise in the matter is designated to conduct most of the review and report back to the panel.8'1 Third parties may refer to MOFCOM any transaction for which they deem NSR necessary.85 If the panel concludes that the transaction may affect national security, it will request that MOFCOM and other agencies take the appropriate measures to eliminate such impact, such as by ordering the termination of the transaction or directing transfer of shares or assets. There has been a general trend for China to move towards a more expansive review of national security. The newly established NSR regime consists of hard law associated with initiatives from both MOFCOM and the State Council. The comprehensive approaches set out a more detailed mechanism for a review on national security grounds and, to some extent, provide a degree of clarity and certainty to foreign investors in cross-border acquisitions. (a) Comprehensive regulatory framework The regime can be traced back to 8 August 2006, when MOFCOM promulgated the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "M6VAs Rule"). This represents the first time that MOFCOM called for notification and review of an inbound M&A transaction that might have an impact on Chinas "national economic security". The most relevant provision for NSR is Article 12, which requires the parties concerned apply for approval from MOFCOM when an acquisition of a domestic enterprise by a foreign investor 1. results in actual control; 2. involves key industries; 3. has factors imposing or possibly imposing material impact on the economic security of the state; and 4. results in transfer of actual control in a domestic enterprise which owns any well-known trademarks or Chinese historical brands.86 The M&A Rule 2006 did not list "key economic sectors", define "national economic security", nor prescribe detailed procedures.87 There have been no reported cases in which transactions were prohibited expressly under Article 12, but some transactions have been delayed for unknown reasons until the parties abandoned the transaction. For instance, Carlyle was forced to withdraw the proposed acquisition of XCMG owing to the parties' inability to obtain MOFCOM's approval within three years after concluding the contract.88 This case was similar to the circumstances prior to FINSA 2007, where CFIUS's credibility had been compromised because of high-profile scandals, such as CNOOC—Unocal and Dubai Port. A separate security review system has been established with the enactment of the Anti-Monopoly Law 2008 ("AML 2008")-89 Article 31 provides for an additional review of concentrations by foreign investors: "when foreign M&As of domestic enterprises involve national security, they shall be subject to review according to relevant regulations, in addition to the anti-monopoly review provided for by the AML 2008".90 This provision seems to embody a universal concern that most governments have for protecting national security interests in the face of increasing economic globalisation.91 On 3 February 2011, the State Council issued the Notice on Establishment of a Security Review System for Acquisition of Domestic Enterprises by Foreign Investors (the "NSR Notice").92This long-awaited Notice formally formalised an NSR mechanism and set different thresholds to trigger NSR when necessary Serving as a legal basis, the NSR Notice implements Article 31 of AML 2008. It represents a clear signal that China intends to take a more systemic approach in monitoring foreign investment in sensitive sectors, and requires the parties concerned to co-operate with the panel when inquiries occur.93 On 4 March 2011, one day before the NSR Notice came into effect, MOFCOM issued the Interim Regulations for Implementation of the NSR system as established in the Notice (the "Interim Regulations"). On 25 August 2011, MOFCOM promulgated the Provisions of the Ministry of Commerce on the Implementation of Security Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "NSR Provisions"), which came into effect on 1 September 2011, superseding the Interim Regulation. It finalises the NSR procedures for inbound M&A transactions, even without any significant changes vis-a-vis the Interim Regulations. (b) Enforcement matters again! Although modelled after CFIUS's practice of separating antitrust reviews from NSRs,94 neither Article 12 of the M&A Rule nor Article 31 of AML 2008 provides adequate guidance on the nature of China's NSR for Chinese authorities charged with the task or foreign investors considering an acquisition.95 They have sparked concerns among foreign investors that future acquisitions will be subject to much tighter control by the Chinese enforcement agencies. It is also alleged that MOFCOM attempted to use the national security provisions contained in the M&A Rules and AML 2008 to protect Chinese domestic industries from foreign investment.96 The NSR regime represents the culmination of a vigorous debate regarding the perceived national security issues, with particular concerns focused on "strategic and sensitive" industries and Chinese "national champions". Some procedural issues arise as to when the acquiring party must file an application and what materials and information must be provided at the time of initial notification to MOFCOM. It is unlikely that the NSR Notice is intended to raise the bar for foreign investment into China. It remains to be seen how strictly the government will enforce the NSR regime. MOFCOM, NDRC and other relevant governmental agen-cies will look both at the substance and actual impact of the arrangements as to whether an M&A transaction falls within the scope of a security review. 2. Scope Both systems under the CFIUS and NSR aim to review the effect on national security arising from foreign acquirers' investment in their own domestic enterprises. There are significant differences despite the latter bearing a substantial resemblance to the former's procedures. China defines "national security" more broadly than does the definition used by CFIUS. CFIUS has explicitly rejected the inclusion of the concept of economic security in the definition of national security. As a practical matter, CFIUS will consider economic issues, but only if they affect national security. China's NSR Notice expressly indicates that national security will include such economic concerns as impact on domestic capacity, the domestic economy, basic social order, and domestic research and development (R&D) capabilities.97 There is inherent uncertainty as to when a transaction will be the subject of the NSR. A fundamental shortcoming of the NSR regime is the lack of clarification as to which industrial sectors are subject to the NSR .The scope appears to be overly broad as it includes industries without an apparent relevance to national security.98 The security review regime remains opaque and adds to the existing uncertainty for foreign investors in China, because neither the Notice nor the Provision provides a clear definition of the industries within which the NSR will be triggered. The interpretation will be subject to the discretion of the enforcement agencies, resulting in the consequential uncertainty about the exact scope of NSR. (a) Actual control: de facto and de jure In principle, a transaction will only fall within the scope of the security review regime if the foreign investor acquires de jure or de facto control of the target. Although there is some ambiguity due to Chinas structural contexts, the focus on "actual control" appears generally to be consistent with CFIUS practice." The NSR Notice defines "control" to include situations where: (i) foreign investors own more than 50% of the shares; (ii) a foreign investor owns less than 50% of the shares but has sufficient voting rights to exert a material influence over the shareholders vote and resolutions of the board of directors; and (iii) foreign investors otherwise gain actual control of management decisions, human resources, or technologies.100 It seems that an NSR will be triggered if the investors are individually or collectively able materially to influence key actions of the target enterprise.101 A specific threshold still remains unaddressed as to when security review notifications are required. There is no minimum threshold amount below which transactions are not subject to review if they otherwise fall within the NSR Notice scope. It is difficult to determine what would constitute "significant influence" over shareholders or board decisions which results in a foreign investor being deemed to have acquired actual control.102 One possible circumstance could be where a foreign investor buys a stake in a domestic company, thereby increasing total foreign ownership above 50%, but no individual foreign shareholder will have control. It remains unclear as to when an acquisition of the minority stake would trigger NSR, neither does the Notice specify when the investor must file an application. It is likely that such a scenario would not trigger a merger control notification because of the absence of a change in control. However, it could trigger a notification under the NSR Notice, because several foreign investors will then jointly own more than 50% of the shares. One problem is that under certain circumstances, a foreign investor might be unaware that its acquisition of shares will increase foreign ownership above 50% and thus require an NSR Notice. In this regard, the NSR may be widely applied to raise additional regulatory hurdles or even block many M&As of Chinese domestic companies. It also raises considerable concerns about the ability of foreign companies to pursue M&A growth strategies in China.103 (b) Impact The NSR Provision states that the issue of whether an inbound M&A falls within the NSR's scope shall be assessed on the basis of the substance and actual impact of the transaction. The scope of reviews goes well beyond national security by subjecting them to a test of the investment's impact on China's economic stability and social order. The panel will review and potentially reject acquisitions provided the transaction would affect: (i) national defence, productivity and supply capabilities; (ii) operational stability of the PRC economy; (iii) social order; and (iv) research and development (R&D) of the PRC's technologies key to national security.104 Although the regime leaves the term "critical infrastructure" vague, telecommunications, energy assets and transportation infrastructure would typically qualify.105 No details have been given, however, as to what considerations are to be taken into account in assessing these issues. In the absence of further guidance, it may be difficult for a notifying foreign investor to assess whether their envisaged transaction may have an effect on "basic social order" or "national economic stability". This will pose challenges for the acquiring party to submit information that would satisfy the NSR panel. The security review regime seems to have a broader scope in terms of sectors and types of transactions. There is little doubt that the implementation of the NSR regime will add regulatory burdens, such as time and cost, to foreign investors attempting to acquire Chinese domestic enterprises. More significantly, a reasonable NSR will contribute enormously to the reform of a healthier global investment environment, so as to eliminate unintended consequences to the detriment of recovery of the current financial crisis. The lack of detail could increase the level of uncertainty in the foreign investment approval process, and add further delay in obtaining regulatory clearance.106 The NSR regime formalises the concept of NSR that is embodied in the existing FDI approval regime. The clear separation of competition reasons from national security considerations would increase transparency and predictability. The interactive clarification between the new and the existing regimes is vital from a transaction management perspective. Nevertheless, the lack of a transitional explanation of the interrelationship between the complex governmental agencies jeopardises NSR efficacy. It is essential to examine the issue when a deal is to be subject to more than one review institutionally and hierarchically. (a) FDI approval v NSR regime The interaction between the general FDI approval procedures and the NSR process remains uncertain. The NSR system does not replace any of the existing controls on M&As and foreign investment in China. It is possible that the new NSR regime will run parallel with other laws and regulations, since it makes little sense for a deal to go through separate reviews on national security grounds. The first measures providing for separate FDI review on national security grounds appeared in the M&As Rules.107 However, on 16 February 2011, NDRC issued informal guidance indicating that foreign investors will not be required to make a separate filing to initiate a security review; rather, the parties may be asked to provide information necessary for the security review in the course of other regulatory reviews.108 It appears that the NSR panel will proceed on the basis of information provided in the course of existing foreign investment approval processes. It is unclear whether the NSR is in effect part of the existing FDI approval framework. Furthermore, Chinas FDI system has been progressively decentralised in recent years.109 The local enforcement agencies have received greater authority to approve larger projects without central government involvement. The new NSR system makes it feasible to channel certain transactions to the NSR panel for review. It remains unclear as to whether local approval authorities should suspend their reviews or withhold their decisions pending the outcome of the NSR process, even for transactions that are unlikely to trigger such concerns. It is not clarified whether the notification for NSR should be submitted by the foreign investor directly to MOFCOM or through its local branches. (b) NSR vis-a-vis AML 2008 As discussed earlier, AML 2008 specifies an NSR procedure for acquisitions of domestic companies by foreign investors. A foreign party could be subject to both an economic antitrust review and an additional NSR review. An NSR is required alongside merger control review if applicable where a foreign investor acquires actual control of a sensitive sector. Exceptionally, a review is required in any event if the sector involved is military or related sectors,110 in which there is no minimum threshold. These transactions will be be subject to review irrespective of whether they lead to a "concentration" as defined in the AML 2008.111 This approach seems to have been inspired by a decision in the US that effectively blocked proposed Chinese investments in mining companies that turned out to be proximate to military facilities."2 Notably, not all transactions subject to merger review under the AML 2008 will be subject to NSR1 an M&A is reviewable only if the foreign investor will gain "actual control" of the enterprise in a key sector. And conversely, not all transactions subject to NSR will simultaneously be subject to merger control review - for instance, when the parties do not meet the merger control thresholds and MOLCOM does not sua sponte initiate an antitrust review.113 Nevertheless, the overlapping situation inevitably complicates the NSR where national security concerns are involved in both antitrust review and the NSR. It is neither clear as to how MOFCOM will treat transactions that are notified under both the AML control and the NSR Notice, nor certain about how to handle the risk of inconsistent outcome. More specifically, the M&As Rules 2006 sought to protect the Chinese economy from any threats to its "national economic security", which includes "key industries" and "famous brands"."4 Chinas reluctance to let the well-known Chinese brand Huiyuan pass to foreign control seems to be a perfect example involving pure economic nationalism."5 Coca Cola—Huiyuan shows that Chinas broadly defined national security concept has crept into AML enforcement.1It seems that the Chinese government plays a double role: it is both the owner of the major players and the referee, which is detrimental to the development of Chinas market economy.117 This raises concerns that protection of such SOEs from competition may be an aspect of "national security" that is to be taken into account in the separate review."8 A subtle issue arises as to whether the aim of "national security" could be used to protect Chinese SOEs or national champions from competition where an acquisition does not threaten national security per se. It remains to been as to whether Article 12 of the M&As Rules 2006 has survived the enactment of Article 31 of the AML 2008; or whether the concept of protecting "famous brands" in Article 12 is now encompassed in the NSR Notice. The lack of guidance could result in potential contradiction and increase the level of uncertainty. MOFCOM updated the NSR Provision which, together with the State Council's NSR Notice, will have a broad impact on structuring inbound M&A transactions undertaken by foreign investors. The procedural and substantive facets of the new NSR regime formalise the process and add some parameters, resembling analogous procedures for screening foreign investment on national security grounds in other major jurisdictions."9 In particular, the structure reflects an analytical approach quite similar to that adopted by the CFIUS. In response to growing concerns of protectionism and nationalism, the NSR system marks the path forward by establishing a firm framework for review of foreign M&As on national security grounds. However, the NSR regime has been tailored to Chinas particular legal and policy environment, which inevitably renders the process opaque and discretionary. The rules will leave great discretion in the hands of the NSR panel. The screening may constitute a certain impediment to FDI, which could make transactions involving foreign acquirers more challenging. It remains uncertain whether the system will be applied arbitrarily to deter specific deals, or whether it will be implemented with openness and transparency. Whether they will constitute serious obstacles for foreign companies will depend largely upon how the rules are applied in practice. There is a general trend towards economic protectionism. Some restrictions on the ground of national security have provoked a wave of investment protectionism, which may undermine globalisation and harm the global economy. (It is worth noting that erecting trade barriers precipitated the Great Depression.120) The move, driven by the Chinas new NSR regime, has caused concerns among foreign businesses that national security could be used as a pretext for protectionism. Both home and recipient states have a key stake in promoting an open investment regime.121 An increasing challenge is to strike a proper balance between making the host countries attractive to SWFs and simultaneously maintaining a transparent market-based regime.122 Apart from hard law, it also makes great sense to examine how transnational soft initiatives may play a complementary role. Against the lure of protectionism All recipient countries have rules in place regulating the entry of foreign capital and investment. Foreign investors are usually constrained to invest in strategic or sensitive sectors. Increasingly protectionist policies have been put forward even in free market economies following the financial crisis across jurisdictions.123 Economic nationalism, the desire to protect a nation's champion firms or defend against monopoly by another nations enterprises has prevailed over capitalist principles of profitability or efficiency.124As Musgrove and lougas observed: "Chinas new national security review provision may in reality be the result of political compromise between reformists in China, who support the adoption of competition policy consistent with other major jurisdictions and international best practices, and protectionists, who prefer to protect domestic Chinese businesses from potential new foreign entry." Such leverage would easily lose its balance with possible future CNOOC-like cases. The biggest problem may not be outright protectionism, but the failure of host countries to take account of how their domestic policies affect their investment partners. MOFCOMs final decision against Carlyles acquisition of XCMC127 was announced only a few months after the CNOOC-Unocal debacle in the US. The M&As Rule 2006 can arguably be seen as a response to the perceived protectionism in CNOOCs unsuccessful acquisition of Unocal in 2005. To some extent, the NSR regime represents a hostile confrontation to similar bodies abroad that have hindered efforts of Chinese corporations to engage in offshore acquisitions. 129 This could potentially be seen as a tit-for-tat reaction against foreign governments scrutinising Chinese investments on the grounds of preservation of national security. China has responded with investment restrictions of its own, which inevitably lower the trajectory of economic growth in the West.130 The recipient countries should not erect protectionist barriers to foreign SWF portfolios. They should make sure that any restrictions imposed on investments for national security reasons are proportionate to genuine national security risks. It is vital for the parties to resist the siren calls of protectionism but also to avoid taking subtler forms, such as in the name of certain legitimate interests.131 It remains to be seen whether China's NSR process will result in economic protectionism. Whether these rules will constitute another serious obstacle for foreign companies doing business in China will depend upon how the NSR regime is applied, and how Chinese outbound investment will be treated reciprocally. It is worth examining how the international communities have endeavoured to ensure a free flow of capital through transparent and stable rules, while protecting the legitimate interest of national security. Under Chinas current legal and political environment, it remains uncertain as to how long it would take for Chinese SWFs to foster best practice in corporate governance, so as to achieve the highest levels of transparency and accountability.132 Hard law represents a bottom line under which certain violations would be penalised, while those internationally recognised soft initiatives will fill the gap to facilitate SWF compliance and play a complementary role in stabilising the global capital market. It is significant to examine how the host and home states are obliged to maintain the financial market's integrity through interacting both hard and soft laws. (a) International Monetary Fund (IMF): GAPP The IMF formally established an International Working Group of SWFs (IWG) to reach a consensus on a set of principles that properly reflect SWF investment practices and objectives.133 The Generally Accepted Principles and Practices (GAPP), also known as the Santiago Principles, provide a voluntary framework for appropriate governance and accountability by SWFs. In order to devise a code of best practices for SWFs, the IWGs work was guided by four main objectives: (i) to help maintain a stable global financial system and free How of capital and investment; (ii) to comply with all applicable regulatory and disclosure requirements in the countries where SWFs invest; (iii) to invest on the basis of economic and financial risk and return-related considerations; and (iv) to have in place a transparent governance structure that provides for adequate risk management and accountability.134 The legal framework for SWFs should be sound and support its effective operation and the achievement of its stated objective(s)J3S Owing to the GAPPs non-binding legal nature, the implementation of the 24 principles is on a volun-tary basis and subject to home countries\* laws and regulations. SWFs should maximise risk-adjusted financial returns based on economic and financial grounds. As for the IWG, "The pursuit of investment decisions free of political influence and publication of the GAPP should help improve understanding of SWFs as economically and financially oriented entities in both the home and recipient countries."136 Such an initiative should be seen as an important step in consolidating dialogue and understanding between SWFs and recipient countries. The best practices are supposed to encourage strictly market-based, rather than politically motivated investment by SWFs.137 Such an approach reflects the IMF's attempt to depoliticisc what is inherently a political and governmental entity. (b) Organization for Economic Cooperation and Development (OECD) Guidelines The OECD has repeatedly issued statements confirming its adherence to an open-door investment policy, which endeavours to attract SWF investment without jeopardising the national security of OECD members.138 A set of Guidelines was agreed upon in 2009 to contribute to trust-building between SWFs and host countries.139 Underscoring more transparency, the Guidelines require that the objectives and operation of SWFs should be made more transparent to enhance the predictability of outcomes. They also call for host countries to implement more proportionate regulations, in particular, when existing measures are adequate to address national security concerns. The host state must ensure that it is not demanding adherence to a review process that is overly transparent or highly politicised.140 The OHGD approaches attempt to strike a balance between attracting foreign investments and ensuring national security interests, so as to foster best practices through emphasising openness and predictability in the treatment of foreign investors. As a non-OECD member, China's compliance with the Guidelines will have far-reaching implications. Despite being the second largest economy in the world, China has long been struggling to have its market economy recognised. It is believed that the World Trade Organisation (WTO) will automatically grant China this status in 2016.141 The adherence to the OECD Guidelines in operating SWFs and reviewing FDI will facilitate Chinas run for OECD membership, which would undoubtedly be an essential stepping-stone to success. With the best practice initiated by the OECD, China may reduce the gap by following international well-established standards in the playing field. Intangibly, this would also make a solid foundation for China to be a more responsible stakeholder in the global financial market apart from its economic success. 3. Hard law vis-a-vis transnational soft initiatives The global economic security relationship with China depends upon free-market policies. China and recipient countries have a mutual interest in maintaining an open international investment climate. Global competition law has been marked by a high degree of convergence in both sub-stantive law and procedure.1 - China is gradually taking its place as a major regulator who will exercise concurrent NSR jurisdiction along with the US and EU over high-profile cross-border M&As. It is essential to secure approval from the three jurisdictions in order to complete significant deals in the future. The NSR regimes remain uncertain and may thus allow factors without any relation to national security to be included in the consideration by slipping behind the vague concept of national security.

#### Global protectionism causes full-scale wars – escalates to WMD use.

Panzer ‘7

Michael J. Panzer, a New York Institute of Finance faculty member and a graduate of Columbia University. Financial Armageddon: Protect Your Future from Economic Collapse, p. 137-138

The rise in isolationism and protectionism will bring about ever more heated arguments and dangerous confrontations over shared sources of oil, gas, and other key commodities as well as factors of production that must, out of necessity, be acquired from less-than-friendly nations. Whether involving raw materials used in strategic industries or basic necessities such as food, water, and energy, efforts to secure adequate supplies will take increasing precedence in a world where demand seems constantly out of kilter with supply. Disputes over the misuse, overuse, and pollution of the environment and natural resources will become more commonplace. Around the world, such tensions will give rise to full-scale military encounters, often with minimal provocation. In some instances, economic conditions will serve as a convenient pretext for conflicts that stem from cultural and religious differences. Alternatively, nations may look to divert attention away from domestic problems by channeling frustration and populist sentiment toward other countries and cultures. Enabled by cheap technology and the waning threat of American retribution, terrorist groups will likely boost the frequency and scale of their horrifying attacks, bringing the threat of random violence to a whole new level. Turbulent conditions will encourage aggressive saber rattling and interdictions by rogue nations running amok. Age-old clashes will also take on a new, more heated sense of urgency. China will likely assume an increasingly belligerent posture toward Taiwan, while Iran may embark on overt colonization of its neighbors in the Mideast. Israel, for its part, may look to draw a dwindling list of allies from around the world into a growing number of conflicts. Some observers, like John Mearsheimer, a political scientists at the University of Chicago, have even speculated that an “intense confrontation” between the United States and China is “inevitable” at some point. More than a few disputes will turn out to be almost wholly ideological. Growing cultural and religious differences will be transformed from wars of words to battles soaked in blood. Long-simmering resentments could also degenerate quickly, spurring the basest of human instincts and triggering genocidal acts. Terrorists employing biological or nuclear weapons will vie with conventional forces using jets, cruise missiles, and bunker-busting bombs to cause widespread destruction. Many will interpret stepped-up conflicts between Muslims and Western societies as the beginnings of a new world war.

#### Independently, global economic decline causes war that escalate to WMD use.

James ‘14

Professor Harold James holds a joint appointment at Princeton in International Affairs (in the Woodrow Wilson School) and as Professor of History - specializing in European economic history. “Debate: Is 2014, like 1914, a prelude to world war?,” - Globe and Mail - Published Wednesday, Jun. 25, 2014 9:23AM EDT Last updated Wednesday, Jul. 02, 2014 - http://www.theglobeandmail.com/globe-debate/read-and-vote-is-2014-like-1914-a-prelude-to-world-war/article19325504/

As we get closer to the centenary of Gavrilo Princip’s act of terrorism in Sarajevo, there is an ever more vivid fear: it could happen again. The approach of the hundredth anniversary of 1914 has put a spotlight on the fragility of the world’s political and economic security systems. At the beginning of 2013, Luxembourg’s Prime Minister Jean-Claude Juncker was widely ridiculed for evoking the shades of 1913. By now he is looking like a prophet. By 2014, as the security situation in the South China Sea deteriorated, Japanese Prime Minister Shinzo Abe cast China as the equivalent to Kaiser Wilhelm’s Germany; and the fighting in Ukraine and in Iraq is a sharp reminder of the dangers of escalation. Lessons of 1914 are about more than simply the dangers of national and sectarian animosities. The main story of today as then is the precariousness of financial globalization, and the consequences that political leaders draw from it. In the influential view of Norman Angell in his 1910 book The Great Illusion, the interdependency of the increasingly complex global economy made war impossible. But a quite opposite conclusion was possible and equally plausible – and proved to be the case. Given the extent of fragility, a clever twist to the control levers might make war easily winnable by the economic hegemon. In the wake of an epochal financial crisis that almost brought a complete global collapse, in 1907, several countries started to think of finance as primarily an instrument of raw power, one that could and should be turned to national advantage. The 1907 panic emanated from the United States but affected the rest of the world and demonstrated the fragility of the whole international financial order. The aftermath of the 1907 crash drove the then hegemonic power – Great Britain - to reflect on how it could use its financial power. Between 1905 and 1908, the British Admiralty evolved the broad outlines of a plan for financial and economic warfare that would wreck the financial system of its major European rival, Germany, and destroy its fighting capacity. Britain used its extensive networks to gather information about opponents. London banks financed most of the world’s trade. Lloyds provided insurance for the shipping not just of Britain, but of the world. Financial networks provided the information that allowed the British government to find the sensitive strategic vulnerabilities of the opposing alliance. What pre-1914 Britain did anticipated the private-public partnership that today links technology giants such as Google, Apple or Verizon to U.S. intelligence gathering. Since last year, the Edward Snowden leaks about the NSA have shed a light on the way that global networks are used as a source of intelligence and power. For Britain’s rivals, the financial panic of 1907 showed the necessity of mobilizing financial powers themselves. The United States realized that it needed a central bank analogous to the Bank of England. American financiers thought that New York needed to develop its own commercial trading system that could handle bills of exchange in the same way as the London market. Some of the dynamics of the pre-1914 financial world are now re-emerging. Then an economically declining power, Britain, wanted to use finance as a weapon against its larger and faster growing competitors, Germany and the United States. Now America is in turn obsessed by being overtaken by China – according to some calculations, set to become the world’s largest economy in 2014. In the aftermath of the 2008 financial crisis, financial institutions appear both as dangerous weapons of mass destruction, but also as potential instruments for the application of national power. In managing the 2008 crisis, the dependence of foreign banks on U.S. dollar funding constituted a major weakness, and required the provision of large swap lines by the Federal Reserve. The United States provided that support to some countries, but not others, on the basis of an explicitly political logic, as Eswar Prasad demonstrates in his new book on the “Dollar Trap.” Geo-politics is intruding into banking practice elsewhere. Before the Ukraine crisis, Russian banks were trying to acquire assets in Central and Eastern Europe. European and U.S. banks are playing a much reduced role in Asian trade finance. Chinese banks are being pushed to expand their role in global commerce. After the financial crisis, China started to build up the renminbi as a major international currency. Russia and China have just proposed to create a new credit rating agency to avoid what they regard as the political bias of the existing (American-based) agencies. The next stage in this logic is to think about how financial power can be directed to national advantage in the case of a diplomatic tussle. Sanctions are a routine (and not terribly successful) part of the pressure applied to rogue states such as Iran and North Korea. But financial pressure can be much more powerfully applied to countries that are deeply embedded in the world economy. The test is in the Western imposition of sanctions after the Russian annexation of Crimea. President Vladimir Putin’s calculation in response is that the European Union and the United States cannot possibly be serious about the financial war. It would turn into a boomerang: Russia would be less affected than the more developed and complex financial markets of Europe and America. The threat of systemic disruption generates a new sort of uncertainty, one that mirrors the decisive feature of the crisis of the summer of 1914. At that time, no one could really know whether clashes would escalate or not. That feature contrasts remarkably with almost the entirety of the Cold War, especially since the 1960s, when the strategic doctrine of Mutually Assured Destruction left no doubt that any superpower conflict would inevitably escalate. The idea of network disruption relies on the ability to achieve advantage by surprise, and to win at no or low cost. But it is inevitably a gamble, and raises prospect that others might, but also might not be able to, mount the same sort of operation. Just as in 1914, there is an enhanced temptation to roll the dice, even though the game may be fatal.

### Plan

#### The United States federal government should end CFIUS review of investment projects from the People’s Republic of China.

### Solvency

#### The time is now- the US must make concessions for security reviews

Hu – June 7th - ‘16

Hu Weijia is an analyst and reporter with the Global Times that writes for the newspaper’s Opinion Pages on matters concerning international and economic affairs. – “US must meet China halfway to reach agreement in investment treaty negotiations” - Global Times, June 7th - http://www.globaltimes.cn/content/987281.shtml

After years of negotiations, the talks are now at a critical moment as the two nations are expected to submit their new "negative list" proposals for those sectors that will remain off-limits to investment from the other side. The US wants China to shorten its list of these sectors, while China wants the US to make concessions in areas such as high-tech investment and security reviews. Although top leaders on both sides have called for the rapid conclusion of a high-standard China-US BIT, this will not be a simple task, either for China or for the US. China's National Development and Reform Commission, the country's top economic planning agency, published a draft earlier this year on adopting the negative list approach in some pilot areas in the country. It was considered unlikely that China would adopt the negative list approach several years ago, because it was totally different from the country's existing management system for foreign investment. In the process of extending the negative list approach, the central government has to push forward domestic reforms and promote the formation of a national consensus among various interest groups. However, it is doubtful whether the Obama administration has enough political resources to push forward domestic reforms, especially at a time when American society is showing less enthusiasm for the BIT negotiations. It seems the US now wants to pressure China to make more concessions in order to reach an agreement. But it is unrealistic for the US to force China to sign the agreement without making concessions itself. While China will make great efforts to adopt the negative list approach, the US has to properly handle issues such as security reviews to meet the concerns of the Chinese side. According to media reports, Chinese telecommunications giant Huawei recently became the target of a US investigation over its trade with Iran. Concerns were expressed by some in China that this represented unfair treatment of Chinese investment by the US. The Obama administration may need to put more focus on domestic affairs, instead of putting pressure on China. Admittedly, there's not much time left for the two countries. If negotiations are not concluded while Obama is still in office, the treaty might be hit by growing uncertainties.

#### This concession is key- strict security reviews hurt negotiations or mean that the treaty gets too watered down

Martina ‘15

Michael Martina - Beijing-based reporter for Reuters, covering politics and trade. Internally quoting Tim Stratford, a former assistant U.S. Trade Representative and the current chair of the BIT task force of the American Chamber of Commerce in China - “U.S. urged to amend national security proviso in China investment treaty talks” – Reuters - Oct 23, 2015 - http://www.reuters.com/article/china-usa-investment-idUSL3N12N33I20151023

The United States must amend a standard national security provision in investment treaties when negotiating with China, a U.S. business lobby said on Friday, or risk giving Beijing the green light to limit U.S. market access. China, which has more barriers on foreign investment than the United States, is in talks with Washington to narrow the "negative list" of sectors closed to the other side's investors as part of a bilateral investment treaty (BIT). Keeping a standard exemption in the treaty for sensitive sectors could allow China to apply the proviso to its own national security, which it defines more broadly, to cover anything from the military to ecological, societal and cultural security. Washington should make adjustments to the model treaty it has used since 2012 in order to tackle "Chinese circumstances", Tim Stratford, the chairman of the BIT task force of the American Chamber of Commerce in China, told reporters. "While it's a very strong starting point for negotiations, it might be appropriate to make a few adjustments in it that would make it more directly applicable," Stratford told reporters at a briefing on a Chamber report on the talks. "If you have the same carve-out on the Chinese side but they have a definition that is this broad, then you can see why that could raise some concerns," added Stratford, a former assistant U.S. Trade Representative. U.S. investors hope that a treaty will widen their access to many industries tightly controlled in China, from financial services to healthcare. Beijing and Washington have agreed to hasten work on the investment treaty, but business groups fear new national security guidelines in China could stall progress. Foreign companies say the rules are a rollback of China's vows to usher in market reforms, as they require use of "secure and controllable" technology, with data operations to be based on the mainland. China says the new policies will bolster networks and better regulate information in the face of growing security threats. The "protracted rollout of market openings" will not only hurt the Chinese economy, but could have a "cooling effect" on talks, the Chamber said, adding that Chinese officials had told numerous companies that further market opening would be delayed until the investment treaty was complete. "What is needed is true market access without underhanded and unwritten barriers that could potentially render the BIT meaningless," Chamber Chairman James Zimmerman said in the report.

#### CFIUS transparency is key to actualize the BIT

Moran ‘15

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The United States and China have continually sparred in the area of national security reviews for bilateral investment. The current negotiations on an investment treaty between the two countries cover a wide range of topics. The US-China bilateral investment treaty (BIT) could be an opportunity to clear up issues relating to security reviews, although both sides may end up disappointed. China's grievances stem from some high profile acquisition attempts launched by Chinese firms that were ultimately unsuccessful because they ran into political obstacles from the US Congress or the CFIUS. But the high-profile cases have skewed public perception and now some see (consider) CFIUS as an unfair barrier to Chinese investments in the United States. The Chinese will look to accomplish two things in the BIT. First they would like to ensure greater transparency in order for Chinese firms, including state-owned enterprises (SOEs), to have a clearer understanding of the decisions criteria in a CFIUS review. Second, they would like CFIUS to apply the same criteria to a Chinese firm trying to acquire a US firm as it would to a British firm doing the same. This is called most favored nation (MFN) treatment. Chinese commentators point to the perception that even the prospect of going through a review is sometimes enough to prevent an investment. Moreover, additional factors, besides the prospect of a CFIUS review, may discourage potential foreign investors. In certain industries foreign investment is explicitly limited or prohibited by the US Congress, namely natural resources, telecom, TV, and radio. Investment in other sectors may face barriers even though the official US policy is an open door. As mentioned, congressional disapproval can prove too much for a foreign investor. Intense media scrutiny, usually linked to congressional protests, can force a bid withdrawal if it sparks strong negative public sentiment. Most of the Chinese grievances could be alleviated if the BIT could simplify the CFIUS process. The US government is unlikely to take further steps to ease the path through CFIUS, but recently more and more investors, including from China, have successfully navigated a CFIUS review. Several foreign investors have experienced an almost xenophobic attitude toward their proposed investments in the United States. Firms based in Japan, the Middle East, China, and even France have all faced issues springing from fear held by the American public that the foreign investor would acquire a vital US company. CFIUS vets legitimate national security concerns, but public misgivings often extend well beyond the national security realm. Despite these occasional eruptions, the United States remains a popular destination for inward foreign investment. In 2013, the United States received a net inflow of $160 billion from inward foreign investment. In that year, worldwide flows topped $1.4 trillion. The United States wants to maintain its position as a leading destination for foreign investment. Studies show that foreign firms employ over 5 million workers in the United States, and they pay higher wages than most domestic fi rms. Studies also show that foreign firms in the United States perform at a very high level, fostering a competitive environment, which boosts the performance of domestic fi rms. Inward FDI also increases domestic spending on research and development (R&D). Inward FDI is concentrated in select but important sectors, such as advanced manufacturing, energy, technology, and finance. The presence of leading edge foreign firms facilitates the diffusion of high technology and innovative management to domestic firms, creating a stronger US economy. This shows up in the positive correlation between inward FDI and domestic productivity. China had inward FDI flows of around $250 billion in 2013, but outward FDI has lagged far behind. 3 China’s outward FDI stock totals around $500 billion, while its inward FDI stock totals more than $2 trillion. China’s outward FDI stock placed in the United States is approximately $47.5 billion in 2014, less than one-tenth China’s total outward stock, and more than half of that arrived in the last two years. 4 Chinese investment in the United States is gathering speed, amounting to $14 billion in calendar year 2013 and $12 billion in calendar year 2014. Chinese companies invest in the United States to take advantage of highly skilled workers, to acquire new production technology, and to reach the US consumer market. It wouldn’t make sense for Chinese companies, with cheaper labor at home, to seek low-skilled US workers. Chinese firms spend on considerable R&D in the United States to adapt their products to the American market. Somewhat surprisingly, Chinese-owned firms in the United States tend to export a larger fraction of output than their US counterparts. US sentiment toward growing Chinese investment is becoming more positive, especially at the state level, where governors vie to attract job-creating firms to their economies. However, convincing Americans that Chinese investment does not pose an economic or security threat can be difficult. As a side advantage, the CFIUS process provides reassurance to the public at least with respect to security concerns. THE CFIUS PROCESS CFIUS was created in the 1970s, as fear spread that Middle Eastern governments, flush with profits from high petroleum prices, would begin to acquire vast tracts of US real estate. This fear was overblown, and massive purchases of US assets did not materialize. Nonetheless CFIUS was created in 1975 to ensure that inward investments would not jeopardize national security. Yet presidential authority to block transactions was not legalized until after 1987, when a Japanese firm attempted to acquire a French-owned technology firm based in the United States. In 1988, the Exon-Florio Amendment was passed giving the president authority to block transactions that might harm US national security. The president subsequently delegated investigatory authority to CFIUS. Only two transactions have been explicitly prohibited by a US president, in 1990 and 2012, and in both cases the acquiring firms were Chinese. A fresh congressional storm erupted in 2006 over the proposed acquisition of a British firm, Peninsular and Oriental Steam Navigation Company (P&O), which owned ports all over the globe, including in the United States. The acquiring firm was based in the United Arab Emirates (and controlled by the Emir of Dubai) called Dubai Ports World. After CFIUS cleared the transaction, a congressional uproar manifested in the form of a 62-2 vote against the transaction within the House Appropriations Committee. Dubai Ports World went through with the transaction but was forced by political pressure to divest the six US ports, selling them to an American entity. This episode led to further changes in the CFIUS process, implemented in 2007 by the Foreign Investment and National Security Act (FINSA). The scope of the national security review was expanded and CFIUS now looks, among other issues, at the possibility of “three threats” ( described in more detail later): 1 . denial or manipulation of access to supplies, 2. leakage (referring to sales of goods or technology, especially of a military nature), and 3. sabotage or espionage. Apart from SOEs, foreign investors in the United States are not required to initiate a CFIUS review, but lawyers recommend that they do so. While CFIUS has not distinguished between “mixed ownership” firms— partly state-owned and partly privately owned—and fully state-owned firms, any mixed ownership firms would be well advised to initiate a CFIUS review. If a foreign firm does not fi le a notice to CFIUS regarding a proposed transaction, then CFIUS can initiate its own investigation, and subsequently order a divestment. The process involves a 30-day review, and the majority of transactions are cleared in this time period. But the committee may initiate an additional 45-day investigation if it needs more time. This second 45-day investigation is mandatory if the foreign acquiring firm has ties to a foreign government or involves critical infrastructure in the United States. The president has 15 days to evaluate CFIUS findings and allow or prohibit the transaction. The committee’s deliberations are secret, and (with few exceptions) it reports summary statistics only on the cases reviewed and investigated. A closer look at how CFIUS operates and initiates its investigations reveals that notices to CFIUS have in- creased substantially and so have the percentage of cleared investments. Since 2008, any entity controlled by a foreign government must notify CFIUS of an intended acquisition. This is not the case for private companies, although it is generally a good idea for them to do so. Clearance by a CFIUS review can help shield the foreign firm from congressional or public criticism. From 2008 through 2012, foreign firms fi led 538 notices of transactions with CFIUS. Of these, 6 percent of the firms (32 cases) withdrew from the review process before it was finished, 31 percent (168 cases) went through an investigation, and 7 percent (38 cases) withdrew during the investigation. CFIUS recommended divestiture in just 1 case in those five years, where a presidential decision was made to force Ralls Corporation to sells its American assets. The other 44 percent (238 cases) were cleared during the review process without the need for an investigation. This means CFIUS deemed nearly 87 percent (468 out of 538) of the notices as not a threat to US national security, a very high rate. However, some firms were subject to mitigating measures (8 percent of cases from 2010 through 2012). Mitigating measures ranged from allowing only US citizens to handle certain products and services to termination or sale of specific US business activities. There are many reasons why firms may withdraw before or during the investigation process. Sometimes the fi ling parties may not be able to answer all the national security or other related queries within the review or investigation process and decide to withdraw and refi le at a later time. Also if the terms of the transaction change, the party may withdraw and refi le later, or if the transaction is abandoned for commercial reasons then the party will withdraw the notice. For example, in 2012, 22 cases were withdrawn during the review or investigation process, and 12 of those cases were refi led in 2012 or 2013, with the rest abandoning the transaction either for commercial reasons or because of national security concerns raised by CFIUS. Several high-profile cases have shaped public opinion, in the United States and abroad, on the process foreign investors must endure when investing in the United States. In 1992, a French firm, Thompson (58 percent owned by the French government), tried to acquire an American firm, LTV Corporation, which possessed sensitive missile technology. Thompson had sold weapons to Iraq and Libya, and there was no way to ensure that future sales would not be initiated in zones of US military activity. Thompson subsequently withdrew its bid. In 2002, CNOOC proposed to buy the American-owned Unocal, which had some drilling activity in the Gulf of Mexico. Protestors worried that CNOOC would divert oil sales from the United States to China. While this fear was overblown, CNOOC eventually withdrew its bid. Commentators say that the knowledge gained from this failure helped CNOOC close a deal in 2013 to buy Canada’s Nexen, also with significant operations in the Gulf of Mexico. CFIUS did mandate that CNOOC give up operating control of its Gulf activities, although CNOOC still can collect the revenue. In 2010 a Chinese SOE, Anshan Iron & Steel Group, came under political fi re for its attempted investment in US-owned Steel Development Company. Anshan withdrew its bid amid congressional pressure. Opposition to foreign acquisitions on supposed national security grounds sometimes originates from the desire of US-based competitors to acquire the target company more cheaply on their own. Chevron, for example, led the attack against CNOOC’s proposed acquisition of Unocal, and when the Chinese deal fell through Chevron acquired Unocal itself. Since the FINSA reform of CFIUS legislation in 2007, US domestic political pressure has been less effective in stopping transactions. During Shuanghui International’s purchase of Smithfields in 2013, the largest pork producer in the United States, there was significant congressional opposition to a Chinese firm taking over an important part of US food supply, but congressional pressure was not strong enough to force Shuang- hui to withdraw its bid. The bid subsequently passed a CFIUS investigation and the acquisition was completed in July 2013. This may have been partly due to greater Chinese experience at acquiring US firms, and there- fore increasing confidence by the Chinese investors that they could withstand public criticism and just focus on national security concerns. Shuanghui started educating public opinion early and hired skillful lawyers and consultants to guide the Chinese parent through the process. Moreover, there was no legitimate security concern in this case, just the fact that an important American company would be sold to a Chinese company. Shuanghui’s skill in navigating both the CFIUS process and potential congressional opposition provides a teaching lesson to other Chinese firms that seek to acquire “brand name” US fi rms. Chinese firms have recently been less reticent about investing in the United States. From 2007 to 2009, Chinese firms filed 13 notices with CFIUS, but from 2010 through 2012, they fi led 39 notices, accounting for 12 percent of all notices. This includes 23 notices fi led in 2012 alone, twice the level in the previous year, the most for any country in 2012 (figure 1). In comparison, UK investors fi led 21 percent of total notices during the 2010–12 period, the highest from any country over the three- year period. China fi led more notices than French (9 percent) and Canadian (10 percent) firms during that time. Of China’s 39 notices fi led, 20 were in the manufacturing sector, 12 in mining, utilities, and construction, while the other 7 were in finance, information, and services. China’s commerce minister remarked that the CFIUS process needs to be “more open and transparent, because companies never know whether their bid meets the requirements... . We need clearer guidelines on what conditions might violate U.S. Security, to reduce risk for companies that want to invest.” Seeking clearer guidelines, one of us (Moran 2009) has spelled out circumstances in which both CFIUS and foreign investors can determine whether a genuine security threat exists. These are not official CFIUS guidelines but constitute a common sense approach to evaluating foreign investment. The first “threat” identifies critical supply, when a foreign firm acquires a company in a concentrated industry, thereby limiting the purchasing options for firms in the US economy. The threat of denial or manipulation of supplies is credible only if the asset to be acquired is critical to the functioning of the US economy and alternative sources of sup- ply are not readily available. The next “threat” is that of technology leakage, where the firm being acquired has a narrowly available technology, ability, or management expertise, and the sale of that firm may significantly enhance a foreign country’s capability, thereby reducing US national security. The threat of leakage of technology via foreign acquisition is worrisome only if such technology is not widely available from other sources. It should be noted that this approach identifies not only whether the proposed acquisition takes place in a sector deemed to be “critical” but also whether market concentration in that sector is sufficiently concentrated that supplies could be manipulated by the acquirer or technology obtained by the acquirer would make a strategic difference. The third “threat” involves infiltration, surveillance, or sabotage and identifies acquisitions like telecom or ports that may give foreign governments a platform to spy on or sabotage the US economy. A rigorous investigation of whether these three threats are plausible means that the circumstances in which a CFIUS disapproval of the foreign acquisition is justified will be relatively rare. Even if one of these situations occurs, mitigating measures can be imposed on the acquiring firm, such as allowing only US citizens to run certain departments or insisting the firm give up control of or divest certain operations. Missing from CFIUS’s evaluation—a feature that characterizes investment review in many other countries—is that it does not take into account economic interests when deciding whether to recommend disapproval to the president. The United States would like the BIT to make sure that China’s investment review does not take economic interests into account for US investments into China. One of the core tenets of the US government is to facilitate an environment of free enterprise, where markets determine prices and firms compete freely against one another. A US-China BIT is not likely to make the process any easier, but any government is going to reserve that right to block potentially threatening investments. Chinese firms should feel confident that, if they do not pose a national security threat, their transactions will not be blocked by CFIUS. To be sure, Chinese firms face other potential pitfalls. As with Japanese investors in the 1980s and 1990s, some members of the American public are wary of Chinese takeovers. Therefore Chinese investors must have a strategy to deal with public opinion. Getting an early feel for how the transaction will be perceived is critical, and Chinese firms should not expect that they can fly under the radar of US media attention. Early opinion surveys may save time and money down the line. As Chinese firms make further US acquisitions, the experience gained should help pave the way for future transactions. A US-China BIT is unlikely to change the CFIUS process because of the difficult political climate, but it could foster greater disclosure of unclassified evidence, arguments, and allegations considered in CFIUS deliberations. This possibility was foreshadowed by the decision of the Court of Appeals for the Federal Circuit that parties to transactions under CFIUS review should be offered the opportunity to review, respond to, and rebut any unclassified evidence or reasoning upon which a presidential order depriving them of property is based. For increased transparency, Chinese firms that hire an experienced lawyer could come to find out any objections by the committee. A BIT could partly satisfy China by requiring CFIUS to provide a written mitigation proposal to the acquiring Chinese firm within a certain number of days after they supply all the information requested by CFIUS. As for granting MFN status, neither Congress nor CFIUS actually treats all foreign countries the same due to geostrategic considerations, so national security reviews will be unlikely to operate under the same norms as commercial policies, and a BIT will not change this. Chinese investment in the United States has risen quickly in the last few years, and will continue to grow, and investors will gain more experience on how to navigate the CFIUS process. The US government is unlikely to change how CFIUS reviews foreign investment. There may be some room for increased transparency, such as releasing unclassified documents in cases of denial of investment. But the United States may compensate in other areas, for example, adding affirmative language in the BIT that Chinese firms will be permitted to invest in federally funded infrastructure projects, including those administered by the states. Also, a “ratchet” provision could be added to prevent US states from passing further legislation restricting Chinese investment, thus reassuring China that US states can’t try to block Chinese investments by implementing new laws. So China may not get the changes they want to CFIUS, but they might be satisfied by other actions taken by the United States.

#### Senate would approve a BIT – business pressure’s a game-changer.

Xinhua ‘15

Internally quoting David Dollar, currently a senior fellow at the Brookings Institution and formerly an economic and financial emissary to China in the US Department of Treasury. Also internally quoting Adam Posen, president of Washington-based Peterson Institute for International Economics - “Investment treaty to top China-US S&ED agenda, doable under Obama administration” – Original Source: Xinhuanet.com – 2015-June-23 obtained via: http://www.newsgd.com/news/2015-06/23/content\_126864324\_2.htm

Once the investment treaty is struck, it would require a two- thirds vote in the US Senate for approval. "My feeling is the ratification will have to wait until after the next presidential election," said Huang. "We often have a situation where a trade agreement is negotiated under one president, and then approved under the next one, and even if the party switches," echoed Dollar, citing the North American Free Trade Agreement (NAFTA), covering Canada, Mexico and the US, as an example to illustrate his point of view. NAFTA was first negotiated under former Republican President George H.W. Bush, and then approved under the following Democratic President Bill Clinton. "I think basically they would vote yes because they would be hearing from, particularly from American business community. This is very important for the development of the US economy," Dollar said of the Senate's support for BIT. Posen was confident that the BIT would be finally approved by the Senate, though the US and China have had tensions over issues such as the South China Sea dispute, cyber security. "The US has successfully in the past segregated economic issues from political issues," Posen said, "We have areas of difference. We have areas of common interests. The BIT is in both countries' interests." "The Senate tends to be more mature in dealing with these issues than the House," Posen said, adding that's why the US Constitution stipulates foreign treaties should be approved by the Senate instead of the House.

### 1NC Off case positions

Pressure CP, T-Must be QPQ, Elections DA, China Growth Bad DA, Cap K

## Taiwan 1AC

### Nuclear War

#### First, China is hardening its position on Taiwan. This risks a major crisis.

White 15 — Hugh White, Professor of Strategic Studies at the Australian National University, former Intelligence Analyst with Australia’s Office of National Assessments and Senior Official with Australia’s Department of Defence, 2015 (“The harsh reality that Taiwan faces,” *The Straits Times*, April 15th, Available Online at http://www.straitstimes.com/opinion/the-harsh-reality-that-taiwan-faces, Accessed 06-25-2016)

It is time to start worrying about Taiwan again.

In the past few years, it has slipped quietly into the background as tensions in the East China Sea and South China Sea have posed more urgent threats to regional peace and stability. But now old questions about Taiwan's longer-term future are re-emerging, and so are old fears that differences over Taiwan could rupture United States-China relations and drive Asia into a major crisis.

Taiwan's status has been a highly sensitive issue between Washington and Beijing ever since 1949, when defeated nationalists withdrew to the island as the communists swept to power in the mainland. The differences were papered over only when US-China relations were opened up after 1972. Taiwan was left in an awkward limbo, neither accepting Beijing's rule nor seeking recognition as an independent country.

Beijing has never wavered in its determination to bring Taiwan eventually under its rule, while America's Taiwan Relations Act enshrines its commitment to support Taiwan in resisting pressure from Beijing to reunify.

In the 1990s, after Taiwan became a vigorous democracy, presidents Lee Teng-hui and Chen Shui-bian started to push the boundaries of this status quo, seeking a more normal place for Taiwan in the international community. This infuriated Beijing and escalated tensions between China and America.

These tensions eased when, in 2003, then US President George W. Bush made it clear that the US would not support any Taiwanese push to change the status quo.

After President Ma Ying-jeou took office in 2008, he stepped back from his predecessors' challenge to the status quo, and instead sought to build relations with Beijing, especially by encouraging commercial ties, which have led to the two sides of the Taiwan Strait becoming deeply intertwined economically.

And China was happy to replace sticks with carrots in dealing with Taipei, apparently expecting that economic integration would eventually pave the way to political reunification, perhaps under the "one country, two systems" formula that Beijing applies to Hong Kong.

But that hope received a severe blow just a year ago, when Mr Ma's plans for closer economic links with the mainland sparked massive "Sunflower" demonstrations in Taipei by mainly young people who feared that economic entanglement would lead inexorably to precisely the political reunification that Beijing so clearly wants and expects. Then late last year, Mr Ma's policy of ever-closer economic relations suffered further repudiation by voters in a crucial round of municipal elections.

It is now widely expected that when Mr Ma's term as president ends next year, he will be replaced by a new leader who will be less accommodating to Beijing. While few expect that any future leader from either the Kuomintang or the Democratic Progressive Party will return to policies as provocative to China as those of Mr Lee or Mr Chen, the new leader will almost certainly be more assertive than Mr Ma has been.

That naturally alarms Beijing, and there is a risk that it will respond by taking a tougher line, looking for new ways to pressure Taipei into accepting the mainland's authority.

China's new leadership under President Xi Jinping seems increasingly impatient to resolve what it sees as the last vestige of China's centuries of humiliation and increasingly confident of its growing power to act with impunity. Already there are signs that its stance on Taiwan is hardening.

#### Second, the risk of war will continue to increase because of Chinese military modernization.

Glaser 15 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, Fellow in the Kissinger Institute at the Woodrow Wilson International Center for Scholars, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2015 (“A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security*, Volume 39, Number 4, Spring, Available Online to Subscribing Institutions via MIT Press Journals)

None of the above dangers is new, but others are. China's improved military capabilities may increase its willingness both to start and to escalate a Taiwan crisis. Fifteen years ago, China had little capability to invade or blockade Taiwan. Today it can begin to imagine successfully invading Taiwan, and its capability will only increase with time.63 Much of the concern about China's so-called antiaccess/area-denial (A2/AD) strategy focuses on its ability to reduce the U.S. ability to come to Taiwan's aid.64 In addition to its improved conventional capabilities, China is modernizing its nuclear forces to increase their survivability and their ability to retaliate following a large U.S. counter-nuclear attack.65 Arguably, the United States' current ability to destroy most or all of China's nuclear force enhances its bargaining position in a severe crisis or conventional war over Taiwan. Consequently, China's nuclear modernization may make China more willing to start a crisis, less willing to make compromises once conflict occurs, and more willing to escalate.

#### Third, political pressure in China will continue to grow — the CCP will be forced to act aggressively toward Taiwan.

Glaser 15 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, Fellow in the Kissinger Institute at the Woodrow Wilson International Center for Scholars, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2015 (“A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security*, Volume 39, Number 4, Spring, Available Online to Subscribing Institutions via MIT Press Journals)

A common counterpoint to the argument above is that China-Taiwan relations have improved dramatically since 2008, so the probability of war is low.66 This, in turn, means the expected benefits offered by policies that would keep the United States out of a China-Taiwan conflict have decreased. Although this argument has merit, it is hard to be confident that cross-strait relations will remain good. Taiwan might again elect a more pro-independence government, or China might ramp up pressures for unification. Jia Qingguo, a professor at Peking University, recently wrote: “[P]olitical pressures on the Chinese government when it comes to Taiwan are tremendous and growing. In the past, the Chinese people knew that China was weak and could not stop the United States from selling weapons to Taiwan. Now, many believe that China should no longer tolerate such insulting behavior. Confronted with this mounting domestic pressure, the CCP [Chinese Communist Party] is finding it increasingly difficult to justify its weak responses.”67

#### Fourth, tensions are already rising because Taiwan’s new government refuses to accept the ‘92 consensus.

Reuters 16 — Reuters, 2016 (“China says has stopped communication mechanism with Taiwan,” *Sydney Morning Herald*, June 26th, Available Online at <http://www.smh.com.au/world/china-says-has-stopped-communication-mechanism-with-taiwan-20160626-gps230.html>, Accessed 06-29-2016)

The Chinese government said on Saturday it had stopped a communication mechanism with Taiwan because of the refusal of the self-ruled island's new government to recognise the "one China" principle, in the latest show of tension between the two.

China, which regards Taiwan as wayward province, is deeply suspicious of Taiwan President Tsai Ing-wen, who took office last month, as they suspect she will push for formal independence.

Tsai, who heads the pro-independence Democratic Progressive Party, says she wants to maintain the status quo with China and is committed to ensuring peace.

But China has insisted she recognise something called the "1992 consensus" reached between China's Communists and Taiwan's then-ruling Nationalists, under which both agreed there is only one China, with each having their own interpretation of what that means.

In a brief statement carried by the official Xinhua news agency, China's Taiwan Affairs Office said that since May 20, when Tsai took office, Taiwan has not affirmed this consensus.

"Because the Taiwan side has not acknowledged the 1992 consensus, this joint political basis for showing the one China principle, the cross Taiwan Strait contact and communication mechanism has already stopped," spokesman An Fengshan said.

#### Fifth, any crisis over Taiwan will escalate quickly — nuclear war is likely.

Littlefield and Lowther 15 — Alex Littlefield, Assistant Professor in the Department of International Trade at Feng Chia University (Taiwan), holds a Ph.D. in International Politics from National Chung Hsing University (Taiwan), and Adam Lowther, Research Professor at the Air Force Research Institute at Maxwell Air Force Base, Director of the School of Advanced Nuclear Deterrence Studies at the Air Force Global Strike Command, former Assistant Professor of Political Science at Arkansas Tech University and Columbus State University, holds a Ph.D. in International Relations from the University of Alabama, 2015 (“Taiwan and the Prospects for War Between China and America,” *The Diplomat*, August 11th, Available Online at <http://thediplomat.com/2015/08/taiwan-and-the-prospects-for-war-between-china-and-america/>, Accessed 06-25-2016)

Possible Scenario

While there are several scenarios where conflict between the United States and China is possible, some analysts believe that a conflict over Taiwan remains the most likely place where the PRC and the U.S. would come to blows. Beijing is aware that any coercive action on its part to force Taiwan to accept its political domination could incur the wrath of the United States. To prevent the U.S. from intervening in the region, China will certainly turn to its anti-access/area-denial (A2/AD) strategy, beginning with non-lethal means and non-lethal threats to discourage the American public from supporting the use of force in support of Taiwan.

If thwarted in its initial efforts to stop Chinese aggression against Taiwan, the United States may be tempted to resort to stronger measures and attack mainland China. A kinetic response to a cyber-attack, for example, although an option, would very likely lead to escalation on the part of the Chinese. Given the regime’s relative weakness and the probability that American attacks (cyber and conventional) on China will include strikes against PLA command and control (C2) nodes, which mingle conventional and nuclear C2, the Chinese may escalate to the use of a nuclear weapon (against a U.S. carrier in China’s self-declared waters for example) as a means of forcing de-escalation.

In the view of China, such a strike would not be a violation of its no-first-use policy because the strike would occur in sovereign Chinese waters, thus making the use of nuclear weapons a defensive act. Since Taiwan is a domestic matter, any U.S. intervention would be viewed as an act of aggression. This, in the minds of the Chinese, makes the United States an outside aggressor, not China.

It is also important to remember that nuclear weapons are an asymmetric response to American conventional superiority. Given that China is incapable of executing and sustaining a conventional military campaign against the continental United States, China would clearly have an asymmetry of interest and capability with the United States – far more is at stake for China than it is for the United States.

In essence, the only effective option in retaliation for a successful U.S. conventional campaign on Chinese soil is the nuclear one. Without making too crude a point, the nuclear option provides more bang for the buck, or yuan. Given that mutually assured destruction (MAD) is not part of China’s strategic thinking – in fact it is explicitly rejected – the PRC will see the situation very differently than the United States.

China likely has no desire to become a nuclear peer of the United States. It does not need to be in order to achieve its geopolitical objectives. However, China does have specific goals that are a part of its stated core security interests, including reunification with Taiwan. Reunification is necessary for China to reach its unstated goal of becoming a regional hegemon. As long as Taiwan maintains its de facto independence of China it acts as a literal and symbolic barrier to China’s power projection beyond the East China Sea. Without Taiwan, China cannot gain military hegemony in its own neighborhood.

China’s maritime land reclamation strategy for Southeast Asia pales in scope and significance with the historical and political value of Taiwan. With Taiwan returned to its rightful place, the relevance to China of the U.S. military presence in Japan and South Korea is greatly diminished. China’s relationship with the Philippines, which lies just to the south of Taiwan, would also change dramatically.

Although China criticizes the United States for playing the role of global hegemon, it is actively seeking to supplant the United States in Asia so that it can play a similar role in the region. While Beijing may take a longer view toward geopolitical issues than Washington does, Chinese political leaders must still be responsive to a domestic audience that demands ever higher levels of prosperity.

Central to China’s ability to guarantee that prosperity is the return of Taiwan, and control of the sea lines of commerce and communication upon which it relies. Unfortunately, too many Americans underestimate the importance of these core interests to China and the lengths to which China will ultimately go in order to guarantee them – even the use of nuclear weapons.

Should China succeed it pushing the United States back, the PRC can deal with regional territorial disputes bilaterally and without U.S. involvement. After all, Washington invariably takes the non-Chinese side.

China sees the U.S. as a direct competitor and obstacle to its geopolitical ambitions. As such it is preparing for the next step in a crisis that it will likely instigate, control, and conclude in the Taiwan Straits. China will likely use the election or statement of a pro-independence high-ranking official as the impetus for action. This is the same method it used when it fired missiles in the Straits in response to remarks by then-President Lee Teng-hui, ushering in the 1996 Taiwan Straits Crisis. The U.S. brought an end to the mainland’s antics when the U.S.S Nimitz and six additional ships sailed into the Straits.

Despite the pro-China presidency of Ma Ying-jeou, China continues to expand its missile force targeting Taiwan and undertakes annual war games that simulate an attack on Taiwan.

China has not forgotten the humiliation it faced in 1996 and will be certain no U.S. carrier groups have access to the Strait during the next crisis. The Second Artillery Corps’ nuclear capabilities exist to help secure the results China seeks when the U.S. is caught off-guard, overwhelmed, and forced to either escalate a crisis or capitulate.

#### Sixth, the U.S. will be drawn-in *in every scenario*.

Glaser 15 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, Fellow in the Kissinger Institute at the Woodrow Wilson International Center for Scholars, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2015 (“A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security*, Volume 39, Number 4, Spring, Available Online to Subscribing Institutions via MIT Press Journals)

The most direct benefit of ending the U.S. commitment to Taiwan would be a reduction in the probability of war between the United States and China over Taiwan's status. Current U.S. policy is designed to prevent Taiwan from declaring independence and to make clear that the United States will not come to Taiwan's aid if it does. Nevertheless, the United States will find itself under pressure to protect Taiwan no matter what the source of a Chinese attack. Whether Taiwan provoked an attack might be unclear, which would increase pressure for U.S. involvement. Moreover, the United States has limited control over Taiwan's policy, which puts it in the unfortunate position of being hostage to decisions made in Taipei.

#### Seventh, this guarantees escalation to full-scale nuclear war.

White 15 — Hugh White, Professor of Strategic Studies at the Australian National University, former Intelligence Analyst with Australia’s Office of National Assessments and Senior Official with Australia’s Department of Defence, 2015 (“The harsh reality that Taiwan faces,” *The Straits Times*, April 15th, Available Online at http://www.straitstimes.com/opinion/the-harsh-reality-that-taiwan-faces, Accessed 06-25-2016)

Even more worryingly, this reality does not yet seem to have sunk in in Washington, where leaders still talk boldly about their willingness to stand by Taiwan without seriously considering what that might mean in practice. Any US effort to support Taiwan militarily against China would be almost certain to escalate into a full-scale US-China war and quite possibly a nuclear exchange. That would be a disaster for everyone, including, of course, the people of Taiwan itself — far worse than reunification, in fact.

#### Eighth, *deterrence* and *interdependence* fail — even a conventional response from the U.S. triggers counterforce fears and nuclear escalation.

Talmadge 16 — Caitlin Talmadge, Assistant Professor of Political Science and International Affairs and Member of the Institute for Security and Conflict Studies at The George Washington University, holds a Ph.D. in Political Science from The Massachusetts Institute of Technology, 2016 (“Preventing Nuclear Escalation in U.S.–China Conflict,” Policy Brief — U.S.-China Nuclear Project, February, Available Online at <https://www.wilsoncenter.org/sites/default/files/china_policy_brief_talmadge_0.pdf>, Accessed 06-24-2016, p. 2)

The Dangers of Nuclear Escalation in the Event of U.S.–China Conflict

Five factors suggest that a U.S.–China conventional war could activate this escalatory mechanism.

First, the United States embraces highly offensive conventional concepts of operations in the Pacific, despite the nuclear pressures these approaches might place on China. A U.S. campaign in a conventional war with China could target Chinese submarines, missile sites, command and control systems, air defense networks, and other sites well inside the Chinese mainland. From China’s perspective these assets may be relevant to China’s assured retaliation capability. Thus what the United States may view as a purely conventional operation might look to China like the prelude to a counterforce strike, creating strong use-or-lose pressures. Indeed, some Chinese statements indicate that conventional attacks on China’s nuclear capabilities could vitiate China’s no-first-use pledge.

Second, U.S. alliance commitments could further exacerbate this danger. The Pacific Ocean may insulate the United States from much of China’s striking power, but U.S. allies, particularly Japan and Taiwan, would be much more militarily and economically exposed in the event of a U.S.–China war. Even if the United States believed it could achieve security through a slower and more limited conventional campaign, U.S. allies might not share that conviction. This reality again suggests that U.S. conventional operations could quickly expand in ways that could appear to impinge on Chinese nuclear capabilities.

Third, the U.S. military’s organizational tendencies also tilt in the direction of a more conventionally aggressive campaign. For understandable reasons, militaries have a well-developed general preference for the offense. Militaries also tend to pursue tactical and operational advantages at the expense of broader strategic and political objectives. Historically this behavior has resulted in a U.S. approach that is very good at general deterrence (preventing the outbreak of war) but less adept at intra-war deterrence (that is, preventing ongoing wars from escalating).

Fourth, civilian control of the U.S. military is unlikely to check these tendencies. Some civilian policymakers may not be fully aware of the potentially escalatory implications of such approaches, while others may actually embrace these approaches. The historical record suggests that civilian oversight of conventional operations with nuclear implications has not always been robust.

Fifth, situational awareness is likely to deteriorate rapidly for the United States and especially China during a conventional conflict, in ways that further compound all of the escalatory pressures just discussed. After all, denying China knowledge of the battle space through the destruction of intelligence, surveillance, and reconnaissance assets (ISR) and command and control networks is likely to be one of the primary objectives of any U.S. military strategy. These sorts of attacks will be essential to U.S. conventional success but also will make it increasingly difficult for China to feel confident that U.S. aims are limited and that China’s nuclear retaliatory capabilities remain intact. Similarly, the United States may cross Chinese nuclear tripwires without realizing it.

#### Ninth, *mismatched perceptions* make nuclear escalation extremely likely. The risk is high — impact defense is wrong.

Kulacki 16 — Gregory Kulacki, China Project Manager in the Global Security Program at the Union of Concerned Scientists, former Associate Professor of Government at Green Mountain College, former Director of External Studies at Pitzer College, former Director of Academic Programs in China for the Council on International Educational Exchange, holds a Ph.D. in Political Theory from the University of Maryland-College Park, holds graduate certificates in Chinese Economic History and International Politics at Fudan University (Shanghai), 2016 (“The Risk of Nuclear War with China: A Troubling Lack of Urgency,” Union of Concerned Scientists, May, Available Online at <http://www.ucsusa.org/sites/default/files/attach/2016/05/Nuclear-War-with-China.pdf>, Accessed 06-28-2016)

No Technical Exit

As long as both sides remain committed to pursuing technical solutions to their unique strategic problems, they are condemned to continue competing indefinitely. But stalemate is not a stable outcome; rather, it is a perpetual high-wire act. Twenty-four hours a day, 365 days a year, the governments of the United States and China are a few poor decisions away from starting a war that could escalate rapidly and end in a nuclear exchange.

Lack of mutual trust and a growing sense that their differences may be irreconcilable incline both governments to continue looking for military solutions—for new means of coercion that help them feel more secure. Establishing the trust needed to have confidence in diplomatic resolutions to the disagreements, animosities, and suspicions that have troubled leaders of the United States and the PRC for almost 70 years is extremely difficult when both governments take every new effort to up the technological ante as an act of bad faith.

The bilateral dialogues on strategic stability aim to manage the military competition, but they do not seek to end it. Although the two governments work very hard at avoiding conflict, they have yet to find a way out of what Graham Allison called their “Thucydides trap”—the risk of conflict between a rising power and an established power invested in the status quo (Allison 2015). Allison’s warning not to minimize the risks of war is sage advice, even if he does not say how the United States and China can escape the trap he describes. [end page 8]

PRC leaders believe it is possible to prosecute a major war without risking a U.S. nuclear attack. The leaders of the United States believe stopping the PRC from prosecuting such a war may depend, in certain contingencies, on a credible threat to use nuclear weapons—a threat U.S. leaders state they are prepared to execute. These mismatched perceptions increase both the possibility of war and the likelihood it will result in the use of nuclear weapons.

Well-informed U.S. officials tend to dismiss the possibility that the United States and the PRC could wander into a nuclear war. For example, Admiral Dennis Blair, a former Director of National Intelligence whose final military post was Commander in Chief of the U.S. Pacific Command, assured a large gathering of U.S. arms-control experts that “the chances of a nuclear exchange between the United States and China are somewhere between nil and zero.” J. Stapleton Roy, a former U.S. ambassador to the PRC, wholeheartedly agreed (Swaine, Blair, and Roy 2015). Similarly, PRC military strategists and arms control experts believe that the risk of nuclear war with the United States is not an urgent concern even if that risk may not be zero (Cunningham and Fravel 2015).

This lack of urgency is troubling. For example, the United States reportedly told the PRC it would risk military escalation to prevent or stop a proposed PRC island reclamation project in the Scarborough Shoal (Cooper and Douglas 2016). The PRC reportedly responded by committing to move ahead with the project later in 2016 (Chan 2016). This particular contest of wills is part of a steadily increasing number of unresolved diplomatic spats that have escalated to the level of overt military posturing reminiscent of U.S.-Soviet jousting during the Cold War.

The United States and the PRC are decades-old enemies, preparing for war and armed with nuclear weapons. Good faith efforts by the leaders of both nations have failed to stop accelerating preparations for war, including new investments in their nuclear forces. Miscommunication, misunderstanding, or poor judgment could spark a conflict that both governments may find difficult to stop.

War between the United States and the People’s Republic of China is not inevitable, but failing to acknowledge the risks is certain to make it more likely. Both governments should confront these risks with a greater sense of purpose. Only then will they devote the same measure of creativity, effort, and resources to the diplomacy of reducing those risks as they now spend preparing for war.

#### Tenth, tensions over Taiwan are the root cause of other regional tensions. A grand bargain would eliminate the most likely scenarios for major war.

Glaser 15 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, Fellow in the Kissinger Institute at the Woodrow Wilson International Center for Scholars, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2015 (“Time for a U.S.-China Grand Bargain,” Belfer Center Policy Brief, July, Available Online at <http://belfercenter.hks.harvard.edu/files/glaser-us-china-jul15-final.pdf>, Accessed 06-24-2016, p. 2)

Reevaluating The U.S. Commitment To Taiwan

China’s rise poses difficult challenges for the United States. If military competition and political frictions continue to intensify, the United States could find itself engaged in a new cold war. China has long made clear that unification with Taiwan is a paramount political and security goal. The United States is currently committed to defending Taiwan if China launches an unprovoked attack. This commitment is a deep source of Chinese distrust of, and tension with, the United States. Consequently, the United States should consider ending this commitment. Doing so would have both benefits and costs.

Benefits. Eliminating the U.S. commitment to Taiwan would have three main benefits. First, it would reduce the probability of war between the United States and China over Taiwan. China’s improved military capabilities are reducing the United States’ ability to come to Taiwan’s aid in the event of a challenge from Beijing. These capabilities, combined with China’s expectation of growing regional influence, may lead China to decide to seek reunification with Taiwan through military means. Second, U.S. support for Taiwan may be the most important policy-driven source of China’s suspicions about U.S. motives and intentions in East Asia. Consequently, ending the U.S. commitment to Taiwan has the potential to dramatically improve U.S.-China relations. Third, terminating this commitment could also greatly moderate the intensifying military competition between the United States and China. Much of China’s military modernization, including its growing capability to control the sea lines of communication (SLOCs) in the South China and East China Seas, is dedicated to defending Taiwan. The United States has devised a concept, widely known as AirSea Battle, to counter China’s increasing capabilities and maintain dominance of these SLOCs. Ending the U.S. commitment to Taiwan would eliminate the scenario most likely to draw the United States into a large war with China, thus reducing the importance that China places on controlling these SLOCs and helping to significantly moderate U.S.-China competition.

#### Eleventh, only the plan can resolve the security dilemma — Taiwan is key.

Glaser 15 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, Fellow in the Kissinger Institute at the Woodrow Wilson International Center for Scholars, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2015 (“A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security*, Volume 39, Number 4, Spring, Available Online to Subscribing Institutions via MIT Press Journals)

Second, ending the U.S. commitment to defend Taiwan could greatly moderate the intensifying military competition between the United States and China, which is adding to strains in their relationship.72 Most directly, the United States is developing its AirSea Battle concept to counter China's A2/AD capabilities, which are intended primarily to undermine the U.S. ability to come to Taiwan's aid.73 The impact of the U.S. commitment to Taiwan on China's military requirements and capabilities, however, arguably reaches much further. China worries that in a conflict over Taiwan the United States will interrupt its SLOCs. This vulnerability would leave China open to U.S. coercion during severe crises and conventional wars.74 The United States dominates the SLOCs from the Persian Gulf to the Strait of Malacca and still enjoys significant military advantages in the South China and East China Seas. The requirement for both China and the United States to control these SLOCs during a crisis or war creates a security dilemma, which adds to strains in the U.S.-China relationship. There is no military-technical solution to this security dilemma, however, because two countries cannot control the same space.75

A decision by the United States to end its commitment to Taiwan could moderate this security dilemma in two important ways. By eliminating the scenario that is most likely to bring the United States and China into a large war, accommodation should significantly reduce the importance that China places on controlling its SLOCs. Although China would likely still find U.S. control undesirable, the military threat the United States posed to China's security would be greatly reduced. In addition, as explained above, U.S. accommodation could signal that U.S. goals in the region are limited, which should contribute to improving the U.S.-China relationship by increasing China's assessment that U.S. motives are benign, which would in turn further reduce the severity of the security dilemma.76

#### Twelfth, there’s no other solution — the U.S. will inevitably be forced to give up Taiwan. Until then, it’s the biggest flashpoint for escalatory superpower conflict.

Mearsheimer 14 — John J. Mearsheimer, R. Wendell Harrison Distinguished Service Professor of Political Science and Co-Director of the Program on International Security Policy at the University of Chicago, holds a Ph.D. in Political Science from Cornell University, 2014 (“Say Goodbye to Taiwan,” *The National Interest*, March/April, Available Online at <http://nationalinterest.org/article/say-goodbye-taiwan-9931?page=show>, Accessed 06-28-2016)

There is a second reason the United States might eventually forsake Taiwan: it is an especially dangerous flashpoint, which could easily precipitate a Sino-American war that is not in America’s interest. U.S. policy makers understand that the fate of Taiwan is a matter of great concern to Chinese of all persuasions and that they will be extremely angry if it looks like the United States is preventing unification. But that is exactly what Washington will be doing if it forms a close military alliance with Taiwan, and that point will not be lost on the Chinese people.

It is important to note in this regard that Chinese nationalism, which is a potent force, emphasizes how great powers like the United States humiliated China in the past when it was weak and appropriated Chinese territory like Hong Kong and Taiwan. Thus, it is not difficult to imagine crises breaking out over Taiwan or scenarios in which a crisis escalates into a shooting war. After all, Chinese nationalism will surely be a force for trouble in those crises, and China will at some point have the military wherewithal to conquer Taiwan, which will make war even more likely.

There was no flashpoint between the superpowers during the Cold War that was as dangerous as Taiwan will be in a Sino-American security competition. Some commentators liken Berlin in the Cold War to Taiwan, but Berlin was not sacred territory for the Soviet Union and it was actually of little strategic importance for either side. Taiwan is different. Given how dangerous it is for precipitating a war and given the fact that the United States will eventually reach the point where it cannot defend Taiwan, there is a reasonable chance that American policy makers will eventually conclude that it makes good strategic sense to abandon Taiwan and allow China to coerce it into accepting unification.

#### Thirteenth, U.S.-China war immediately kills millions — and the fallout would destroy the planet.

Wittner 11 — Lawrence S. Wittner, Emeritus Professor of History at the State University of New York at Albany, holds a Ph.D. in History from Columbia University, 2011 (“Is a Nuclear War with China Possible?,” *Huntington News*, November 28th, Available Online at http://www.huntingtonnews.net/14446, Accessed 02-07-2013)

While nuclear weapons exist, there remains a danger that they will be used. After all, for centuries national conflicts have led to wars, with nations employing their deadliest weapons. The current deterioration of U.S. relations with China might end up providing us with yet another example of this phenomenon.

The gathering tension between the United States and China is clear enough. Disturbed by China’s growing economic and military strength, the U.S. government recently challenged China’s claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was “asserting our own position as a Pacific power.”

But need this lead to nuclear war?

Not necessarily. And yet, there are signs that it could. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during the conflict over the future of China’s offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would “be used just exactly as you would use a bullet or anything else.”

Of course, China didn’t have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, nuclear saber-rattling persists.

Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven’t been very many—at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan’s foreign secretary threatened that, if the war escalated, his country felt free to use “any weapon” in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan.

At the least, though, don’t nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn’t feel deterred, for, throughout the Cold War, NATO’s strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing “Star Wars” and its modern variant, national missile defense. Why are these vastly expensive—and probably unworkable—military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might?

Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over five thousand nuclear warheads, while the Chinese government has a total inventory of roughly three hundred. Moreover, only about forty of these Chinese nuclear weapons can reach the United States. Surely the United States would “win” any nuclear war with China.

But what would that “victory” entail? A nuclear attack by China would immediately slaughter at least 10 million Americans in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. The Chinese death toll in a nuclear war would be far higher. Both nations would be reduced to smoldering, radioactive wastelands. Also, radioactive debris sent aloft by the nuclear explosions would blot out the sun and bring on a “nuclear winter” around the globe—destroying agriculture, creating worldwide famine, and generating chaos and destruction.

Moreover, in another decade the extent of this catastrophe would be far worse. The Chinese government is currently expanding its nuclear arsenal, and by the year 2020 it is expected to more than double its number of nuclear weapons that can hit the United States. The U.S. government, in turn, has plans to spend hundreds of billions of dollars “modernizing” its nuclear weapons and nuclear production facilities over the next decade.

To avert the enormous disaster of a U.S.-China nuclear war, there are two obvious actions that can be taken. The first is to get rid of nuclear weapons, as the nuclear powers have agreed to do but thus far have resisted doing. The second, conducted while the nuclear disarmament process is occurring, is to improve U.S.-China relations. If the American and Chinese people are interested in ensuring their survival and that of the world, they should be working to encourage these policies.

#### Fourteenth, even a “limited” nuclear war would cause global devastation that kills billions and risks extinction — consensus of scientific studies.

Helfand 13 — Ira Helfand, Co-President of International Physicians for the Prevention of Nuclear War, Past President of Physicians for Social Responsibility, Internist and Emergency Medicine Physician practicing at the Family Care Medical Center in Springfield, Massachusetts, holds degrees from Harvard College and the Albert Einstein College of Medicine, 2013 (“The Humanitarian Consequences Of Nuclear War,” *Arms Control Today*, November 4th, Available Online at <https://www.armscontrol.org/print/6021>, Accessed 06-29-2016)

This task is particularly urgent in view of the new data that have emerged over the last few years. This information indicates that even a very limited nuclear war, confined to one region of the globe, would have devastating effects worldwide.

In 2006, climatologist Alan Robock; Brian Toon, a professor of atmospheric and oceanic sciences; and four colleagues examined the consequences of a potential limited nuclear war between India and Pakistan.[1] They chose to examine the effects of this scenario because of the two countries’ long history of conflict and the ongoing risk of a nuclear exchange. India and Pakistan have fought three wars since they gained independence in 1947 and have come close to war twice when armed with nuclear weapons. During one crisis in the 1990s, it was reported that Pakistani planes armed with nuclear bombs were kept on the runway with their engines running 24 hours a day so they would be ready for takeoff on a few minutes’ notice.[2] It is easy to imagine events, such as an increase in tension over the disputed territories in Kashmir or another terrorist attack like those at the Indian parliament in 2001 or in Mumbai in 2008, that could escalate into full-scale warfare and the use of nuclear weapons.

In their study, Robock and Toon assumed that each country used 50 nuclear bombs, each with an explosive power of 15 kilotons—the power of the bomb dropped on Hiroshima in 1945—against urban targets in the other country. The weapons involved represent less than one-half of the current Indian and Pakistani arsenals and less than 0.5 percent of the world’s nuclear arsenals. The local effects were devastating: 20 million dead in the first week from blast effects, burns, and acute radiation exposure. Even more disturbing were their findings concerning the far-reaching disruption to global climate conditions that this conflict would cause.

The scientists found that the firestorms generated by these nuclear explosions would loft about 5 million tons of black soot high into the atmosphere. The soot would block out sunlight, dropping surface temperatures across the planet by an average of 1.3 degrees Celsius. The cooling would be much more severe in the internal regions of the major continents, shortening the growing season in areas where much of the world’s grain is produced. In addition, the cooling would lower total precipitation worldwide as less water evaporated from the oceans to fall back as rain or snow, and there would be significant changes in precipitation patterns.

Further, by heating the upper atmosphere, the soot particles would cause a major decrease in stratospheric ozone. By allowing substantially more ultraviolet light to reach the earth’s surface, this would further reduce crop yields. The soot particles would be injected so high in the atmosphere that they would not be washed out by rainfall. Their effects would persist for a full decade until they gradually settled back to earth.

The climate disruption predicted by the Robock-Toon study has been independently confirmed in separate studies done by climatologists Michael Mills2 and Andrea Stenke,[3] each of whom considered the same limited war scenario but used a different climate model.

In the last two years, a number of studies have attempted to look at the effect this climate disruption would have on food production. Environmental scientist Mutlu Özdogan looked at soybean production and corn production in the U.S. Corn Belt and found an average decline of 7 percent in soybean production and 12 percent in corn production in the decade following a limited war in South Asia.[4] Crop specialist Lili Xia and Robock examined the impact on middle-season rice production in China and found a 15 percent decline from the prewar level for the 10 years following this conflict.[5]

The world is not prepared to deal with this kind of significant decline in food production. World grain reserves amount to less than 70 days of consumption and would not offer a significant buffer against a sharp and sustained reduction in grain harvests.[6] In addition, 870 million people in the world today already are malnourished.[7] They receive less than the 1,800 calories per day required for the average adult to maintain his or her body mass and do a small amount of physical work to gather or grow food. Even a 10 or 15 percent decline from these levels of food consumption, sustained over a full decade, would be catastrophic. The decline in food consumption, however, probably would be much larger than the decline in food production. Market forces would magnify the impact with large rises in food prices, making even the available food inaccessible to the poor, who are already malnourished precisely because they cannot afford enough food at current prices.

Furthermore, some 300 million people live in countries where, although most people enjoy adequate nutrition today, much of the food is imported. Most of the countries of North Africa and the Middle East and many of the wealthy industrial countries of East Asia, including Japan, South Korea, and Taiwan, fall into this category. In the face of significant declines in food production, it is probable that grain-exporting countries would suspend exports. This has happened repeatedly, for limited periods of time, over the last decade in response to local crop shortfalls. Thus, these 300 million people also would face severe food insecurity.

In April 2012, at the Nobel Peace Laureates Summit in Chicago, International Physicians for the Prevention of Nuclear War (IPPNW) and its U.S. affiliate, Physicians for Social Responsibility, released a report, “Nuclear Famine,” examining this potential catastrophe.[8] The report concluded that more than one billion people might starve as a result of a limited, regional nuclear war.

Since then, Xia and Robock have generated new data examining the impact of a limited nuclear war in South Asia on grain crops other than rice in China. Their findings, which will be published later this year, show that these other grains are affected much more severely than rice. In particular, production of the second-largest grain crop, winter wheat, is projected to fall 31 percent.

These new findings suggest that the “Nuclear Famine” report may have seriously underestimated the extent of the catastrophe that would follow a regional nuclear conflict and that arms control advocates need to fundamentally rethink their assumptions about limited nuclear war. The report assumed that China, along with most of the rest of the industrial world, would be spared actual famine. The latest studies suggest that there might be widespread starvation in China, putting another 1.3 billion people at risk. At the very least, the predicted food shortfalls would create a decade of severe economic and social instability in China, which is the largest country in the world and has the world’s second-largest and most dynamic economy. China also has a large nuclear arsenal of its own, estimated to be nearly 300 warheads, about 50 to 75 of which are deliverable by land-based intercontinental ballistic missiles.

There are no simulations examining whether there will be similar shortfalls in other temperate-zone grain producers such as Canada, Russia, the United States, and Europe except for Özdogan’s study of corn and soybeans in the United States. In the absence of such studies, it seems prudent to assume that these countries might well suffer the same major food shortages that are now predicted for China.

Regional War, Global Impact

In the 1980s, there was a general understanding that large-scale nuclear war between the United States and the Soviet Union would be a disaster, not just for those countries but for the whole planet.[9] From the studies described above, it is clear that even a much more limited nuclear war would be a global catastrophe, with severe humanitarian consequences extending far beyond the countries directly involved in the conflict.

These findings have significant implications for nuclear weapons policy choices in South Asia and for the policies of other states toward India and Pakistan. Yet, the issue extends well beyond South Asia. The arsenals of China, France, Israel, and the United Kingdom are all capable of causing the same or greater degrees of climate disruption.

More worrisome are the arsenals of the nuclear superpowers. Each U.S. Trident submarine can carry 96 warheads, each of which is 10 to 30 times more powerful than the weapons that were considered in the South Asia study. That means that each of these submarines can cause this nuclear famine scenario many times over. The United States has 14 of them, as well as an arsenal of land-based missiles and a fleet of strategic bombers armed with cruise missiles and gravity bombs. The Russian arsenal has a similar degree of overkill capacity.

The danger of nuclear war is often dismissed as a low-probability event and therefore not a cause for concern. The vast majority of the population, including people who were intensely aware of the nuclear danger during the Cold War, behaves as if this were true. Yet, the danger of nuclear war did not go away when the Berlin Wall came down. The arsenals remain, and the chance of nuclear war is not at all remote. As the number of nuclear-armed states increases, especially as nuclear arsenals grow in areas of chronic and seemingly intractable conflict, such as South Asia and the Middle East, the danger becomes even greater.

The possibility of war between the nuclear superpowers also still exists. Even if the likelihood of a deliberate nuclear war between the United States and Russia has declined, there remains the very real possibility of an accidental nuclear war. There have been at least five incidents since 1979 in which Moscow or Washington was prepared to start a nuclear war in the mistaken belief that it was already under attack by the other side.[10] The most recent known incident occurred in January 1995, a full five years after the fall of the Berlin Wall. The conditions that existed then have not changed fundamentally.

Human error, a computer failure, or perhaps a cyberattack launched by a terrorist group all could lead to the unintended launch of nuclear weapons. The new understanding of the climatic consequences of nuclear war makes it clear that even a very limited use of these weapons would be disastrous.

#### Finally, nuclear war is the *number one existential risk* — the case outweighs.

Sandberg 14 — Anders Sandberg, James Martin Research Fellow at the Future of Humanity Institute at Oxford University, holds a Ph.D. in Computational Neuroscience from Stockholm University, 2014 (“The Five Biggest Threats To Human Existence,” *Popular Science*, May 29th, Available Online at <http://www.popsci.com/article/science/five-biggest-threats-human-existence>, Accessed 10-07-2014)

In the daily hubbub of current “crises” facing humanity, we forget about the many generations we hope are yet to come. Not those who will live 200 years from now, but 1,000 or 10,000 years from now. I use the word “hope” because we face risks, called existential risks, that threaten to wipe out humanity. These risks are not just for big disasters, but for the disasters that could end history.

Not everyone has ignored the long future though. Mystics like Nostradamus have regularly tried to calculate the end of the world. HG Wells tried to develop a science of forecasting and famously depicted the far future of humanity in his book The Time Machine. Other writers built other long-term futures to warn, amuse or speculate.

But had these pioneers or futurologists not thought about humanity’s future, it would not have changed the outcome. There wasn’t much that human beings in their place could have done to save us from an existential crisis or even cause one.

We are in a more privileged position today. Human activity has been steadily shaping the future of our planet. And even though we are far from controlling natural disasters, we are developing technologies that may help mitigate, or at least, deal with them.

Future imperfect

Yet, these risks remain understudied. There is a sense of powerlessness and fatalism about them. People have been talking apocalypses for millennia, but few have tried to prevent them. Humans are also bad at doing anything about problems that have not occurred yet (partially because of the availability heuristic – the tendency to overestimate the probability of events we know examples of, and underestimate events we cannot readily recall).

If humanity becomes extinct, at the very least the loss is equivalent to the loss of all living individuals and the frustration of their goals. But the loss would probably be far greater than that. Human extinction means the loss of meaning generated by past generations, the lives of all future generations (and there could be an astronomical number of future lives) and all the value they might have been able to create. If consciousness or intelligence are lost, it might mean that value itself becomes absent from the universe. This is a huge moral reason to work hard to prevent existential threats from becoming reality. And we must not fail even once in this pursuit.

With that in mind, I have selected what I consider the five biggest threats to humanity’s existence. But there are caveats that must be kept in mind, for this list is not final.

Over the past century we have discovered or created new existential risks – supervolcanoes were discovered in the early 1970s, and before the Manhattan project nuclear war was impossible – so we should expect others to appear. Also, some risks that look serious today might disappear as we learn more. The probabilities also change over time – sometimes because we are concerned about the risks and fix them.

Finally, just because something is possible and potentially hazardous, doesn’t mean it is worth worrying about. There are some risks we cannot do anything at all about, such as gamma ray bursts that result from the explosions of galaxies. But if we learn we can do something, the priorities change. For instance, with sanitation, vaccines and antibiotics, pestilence went from an act of God to bad public health.

1. Nuclear war

While only two nuclear weapons have been used in war so far – at Hiroshima and Nagasaki in World War II – and nuclear stockpiles are down from their the peak they reached in the Cold War, it is a mistake to think that nuclear war is impossible. In fact, it might not be improbable.

The Cuban Missile crisis was very close to turning nuclear. If we assume one such event every 69 years and a one in three chance that it might go all the way to being nuclear war, the chance of such a catastrophe increases to about one in 200 per year.

Worse still, the Cuban Missile crisis was only the most well-known case. The history of Soviet-US nuclear deterrence is full of close calls and dangerous mistakes. The actual probability has changed depending on international tensions, but it seems implausible that the chances would be much lower than one in 1000 per year.

A full-scale nuclear war between major powers would kill hundreds of millions of people directly or through the near aftermath – an unimaginable disaster. But that is not enough to make it an existential risk.

Similarly the hazards of fallout are often exaggerated – potentially deadly locally, but globally a relatively limited problem. Cobalt bombs were proposed as a hypothetical doomsday weapon that would kill everybody with fallout, but are in practice hard and expensive to build. And they are physically just barely possible.

The real threat is nuclear winter – that is, soot lofted into the stratosphere causing a multi-year cooling and drying of the world. Modern climate simulations show that it could preclude agriculture across much of the world for years. If this scenario occurs billions would starve, leaving only scattered survivors that might be picked off by other threats such as disease. The main uncertainty is how the soot would behave: depending on the kind of soot the outcomes may be very different, and we currently have no good ways of estimating this.

2. Bioengineered pandemic

Natural pandemics have killed more people than wars. However, natural pandemics are unlikely to be existential threats: there are usually some people resistant to the pathogen, and the offspring of survivors would be more resistant. Evolution also does not favor parasites that wipe out their hosts, which is why syphilis went from a virulent killer to a chronic disease as it spread in Europe.

Unfortunately we can now make diseases nastier. One of the more famous examples is how the introduction of an extra gene in mousepox – the mouse version of smallpox – made it far more lethal and able to infect vaccinated individuals. Recent work on bird flu has demonstrated that the contagiousness of a disease can be deliberately boosted.

Right now the risk of somebody deliberately releasing something devastating is low. But as biotechnology gets better and cheaper, more groups will be able to make diseases worse.

Most work on bioweapons have been done by governments looking for something controllable, because wiping out humanity is not militarily useful. But there are always some people who might want to do things because they can. Others have higher purposes. For instance, the Aum Shinrikyo cult tried to hasten the apocalypse using bioweapons beside their more successful nerve gas attack. Some people think the Earth would be better off without humans, and so on.

The number of fatalities from bioweapon and epidemic outbreaks attacks looks like it has a power-law distribution – most attacks have few victims, but a few kill many. Given current numbers the risk of a global pandemic from bioterrorism seems very small. But this is just bioterrorism: governments have killed far more people than terrorists with bioweapons (up to 400,000 may have died from the WWII Japanese biowar program). And as technology gets more powerful in the future nastier pathogens become easier to design.

3. Superintelligence

Intelligence is very powerful. A tiny increment in problem-solving ability and group coordination is why we left the other apes in the dust. Now their continued existence depends on human decisions, not what they do. Being smart is a real advantage for people and organisations, so there is much effort in figuring out ways of improving our individual and collective intelligence: from cognition-enhancing drugs to artificial-intelligence software.

The problem is that intelligent entities are good at achieving their goals, but if the goals are badly set they can use their power to cleverly achieve disastrous ends. There is no reason to think that intelligence itself will make something behave nice and morally. In fact, it is possible to prove that certain types of superintelligent systems would not obey moral rules even if they were true.

Even more worrying is that in trying to explain things to an artificial intelligence we run into profound practical and philosophical problems. Human values are diffuse, complex things that we are not good at expressing, and even if we could do that we might not understand all the implications of what we wish for.

Software-based intelligence may very quickly go from below human to frighteningly powerful. The reason is that it may scale in different ways from biological intelligence: it can run faster on faster computers, parts can be distributed on more computers, different versions tested and updated on the fly, new algorithms incorporated that give a jump in performance.

It has been proposed that an “intelligence explosion” is possible when software becomes good enough at making better software. Should such a jump occur there would be a large difference in potential power between the smart system (or the people telling it what to do) and the rest of the world. This has clear potential for disaster if the goals are badly set.

The unusual thing about superintelligence is that we do not know if rapid and powerful intelligence explosions are possible: maybe our current civilisation as a whole is improving itself at the fastest possible rate. But there are good reasons to think that some technologies may speed things up far faster than current societies can handle. Similarly we do not have a good grip on just how dangerous different forms of superintelligence would be, or what mitigation strategies would actually work. It is very hard to reason about future technology we do not yet have, or intelligences greater than ourselves. Of the risks on this list, this is the one most likely to either be massive or just a mirage.

This is a surprisingly under-researched area. Even in the 50s and 60s when people were extremely confident that superintelligence could be achieved “within a generation”, they did not look much into safety issues. Maybe they did not take their predictions seriously, but more likely is that they just saw it as a remote future problem.

4. Nanotechnology

Nanotechnology is the control over matter with atomic or molecular precision. That is in itself not dangerous – instead, it would be very good news for most applications. The problem is that, like biotechnology, increasing power also increases the potential for abuses that are hard to defend against.

The big problem is not the infamous “grey goo” of self-replicating nanomachines eating everything. That would require clever design for this very purpose. It is tough to make a machine replicate: biology is much better at it, by default. Maybe some maniac would eventually succeed, but there are plenty of more low-hanging fruits on the destructive technology tree.

The most obvious risk is that atomically precise manufacturing looks ideal for rapid, cheap manufacturing of things like weapons. In a world where any government could “print” large amounts of autonomous or semi-autonomous weapons (including facilities to make even more) arms races could become very fast – and hence unstable, since doing a first strike before the enemy gets a too large advantage might be tempting.

Weapons can also be small, precision things: a “smart poison” that acts like a nerve gas but seeks out victims, or ubiquitous “gnatbot” surveillance systems for keeping populations obedient seems entirely possible. Also, there might be ways of getting nuclear proliferation and climate engineering into the hands of anybody who wants it.

We cannot judge the likelihood of existential risk from future nanotechnology, but it looks like it could be potentially disruptive just because it can give us whatever we wish for.

5. Unknown unknowns

The most unsettling possibility is that there is something out there that is very deadly, and we have no clue about it.

The silence in the sky might be evidence for this. Is the absence of aliens due to that life or intelligence is extremely rare, or that intelligent life tends to get wiped out? If there is a future Great Filter, it must have been noticed by other civilisations too, and even that didn’t help.

Whatever the threat is, it would have to be something that is nearly unavoidable even when you know it is there, no matter who and what you are. We do not know about any such threats (none of the others on this list work like this), but they might exist.

Note that just because something is unknown it doesn’t mean we cannot reason about it. In a remarkable paper Max Tegmark and Nick Bostrom show that a certain set of risks must be less than one chance in a billion per year, based on the relative age of Earth.

You might wonder why climate change or meteor impacts have been left off this list. Climate change, no matter how scary, is unlikely to make the entire planet uninhabitable (but it could compound other threats if our defences to it break down). Meteors could certainly wipe us out, but we would have to be very unlucky. The average mammalian species survives for about a million years. Hence, the background natural extinction rate is roughly one in a million per year. This is much lower than the nuclear-war risk, which after 70 years is still the biggest threat to our continued existence.

The availability heuristic makes us overestimate risks that are often in the media, and discount unprecedented risks. If we want to be around in a million years we need to correct that.

### US-China Relations

#### First, U.S.-China relations have reached a dangerous tipping point — overcoming mutual hostility is vital.

Lampton 15 — David M. Lampton, Chairman of the Board of The Asia Foundation, Hyman Professor and Director of SAIS-China and China Studies at the School of Advanced International Studies at Johns Hopkins University, Member and former President of the National Committee on U.S.-China Relations Executive Committee, Member of the Council on Foreign Relations, was named the most influential China watcher by the Institute of International Relations at the China Foreign Affairs University in Beijing in 2015, holds a Ph.D. from Stanford University, 2015 (“China and the United States: A Conversation with David M. Lampton,” The Asia Foundation, July 29th, Available Online at <http://asiafoundation.org/2015/07/29/china-and-the-united-states-a-conversation-with-david-m-lampton/>, Accessed 06-29-2016)

*You have publicly warned that the U.S.-China relationship is at a critical “tipping point.” From your perspective as a longtime China watcher, what do you think about the future trajectory of bilateral relations?*

I said we were approaching a tipping point. I didn’t say we had gone off the cliff. I don’t know if we’re five feet, five yards, or five miles from that point, but we’re a lot closer to it than I’d like to be.

For the 40-plus years since Nixon went to China, and certainly since Deng Xiaoping came back to power in 1977, most Americans have seen China as going in the “right direction” in terms of foreign and domestic policy – with ups and downs, to be sure. 1989 raised questions. But Deng Xiaoping and George H. W. Bush got ties modestly back on track. China was opening up, investing in the world. Most Americans saw China as moving in the right direction. Conversely, most Chinese saw the U.S. as basically moving in the right direction in terms of policy towards China.

Somewhere around 2008 to 2010, each side began to wonder about the direction of the other. With the rise of South China Sea problems, Diaoyu, and anti-Japanese demonstrations, many Americans weren’t so sure China was going in the right direction, particularly during the global financial crisis. Americans were worried about their economic future. China had a very big trade surplus. It seemed that China was successful but at the same time was going the wrong way in terms of foreign and domestic policy. I think most Americans are approaching the point where they believe it’s going the wrong way for us. The election coming up is going to give voice to that.

In China, one of the first questions they ask is, “Why is the U.S. trying to keep China down or contain China?” One of the major things pushing this is: when you have positive expectations for the future, you then have positive policies and you subordinate frictions, because the long term is going to be better. But if you think the future is going to be worse, you fall into a threatening posture; you’re not willing to overlook current frictions. Mentally, where the two peoples currently are is not a healthy place.

We’re moving from a relationship that was trying to find partnership to one now of deterrence. And threats are a key part of that. China has one aircraft carrier, is building another one for sure, and maybe a third one. China is putting military capability on some of these island reclamation projects in the South China Sea. China’s recent military White Paper said the PRC was going to build a more seaworthy, power-projection navy. And the U.S., with the Pivot announcement in 2011, rotating troops – small forces – through Australia, and tightening up our alliance structure with Japan, all that creates anxiety in Beijing. Now we’ve got joint exercises with Australia, Japan, and the Philippines. These are worrisome developments for China. So what you see is that we’re each reacting to the other. The relationship is becoming fundamentally more competitive. My feeling about this tipping point is that psychologically, both our people are going in the wrong direction. And the underlying security relationship is deteriorating. My remarks on the tipping point weren’t so much to criticize one party or the other, but were more of a call to say, “Let’s address the real problem.”

#### Second, the plan is *the only way* to reverse this trend — resolving Taiwan overcomes every other impediment to strong relations.

Glaser 15 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, Fellow in the Kissinger Institute at the Woodrow Wilson International Center for Scholars, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2015 (“A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security*, Volume 39, Number 4, Spring, Available Online to Subscribing Institutions via MIT Press Journals)

More important, however, is that focusing on the quality of current cross-strait relations overlooks two other less direct, but potentially more significant, benefits of U.S. accommodation on Taiwan. First, U.S. support for Taiwan is one of the most important, possibly the most important, policy-driven sources of China's suspicions about U.S. motives and intentions. Although the United States does not take a position on what the final outcome of the Taiwan issue should be, China considers U.S. support of Taiwan a key source of “strategic distrust.” A recent study by two leading authorities on U.S.-China relations concludes that Beijing views U.S. arms sales to Taiwan “as confirming American arrogance and determination to interfere in China's domestic affairs and to prevent peaceful unification from occurring, thereby harming a clearly-articulated Chinese core interest.” In a similar vein, their report argues that “continuing to provide Taiwan with advanced weapons … is viewed as pernicious in Chinese eyes and has added to suspicion that Washington will disregard Chinese interests and sentiments as long as China's power position is secondary to America's.”68 Nathan and Scobell conclude that “most Chinese see strategic motives at the root of American behavior. They believe that keeping the Taiwan problem going helps the U.S. tie China down.”69 Similarly, a prominent Chinese analyst argues: “The position the U.S. takes on the Taiwan issue determines the essence of American strategy toward China, and thus determines the quality and status of U.S.-China relations.”70 Xu Hui, a professor at China's National Defense University, holds that “U.S. policies toward Taiwan have been and are the fundamental cause of some anti-American sentiment among the Chinese public. … I assure you that a posture change of the U.S. policy on Taiwan will remove the major obstacle for our military-to-military relations and also strengthen Sino-American cooperation by winning the hearts and minds of 1.3 billion Chinese people.”71 In short, ending the U.S. commitment to Taiwan has the potential to dramatically improve U.S.-China relations, which in turn could increase the possibility of cooperation on other issues and reduce the probability of competition and conflict.

#### Third, crossing the tipping point increases the risk of war and undermines cooperation. Relations *aren’t* resilient without the plan.

Lampton 15 — David M. Lampton, Chairman of the Board of The Asia Foundation, Hyman Professor and Director of SAIS-China and China Studies at the School of Advanced International Studies at Johns Hopkins University, Member and former President of the National Committee on U.S.-China Relations Executive Committee, Member of the Council on Foreign Relations, was named the most influential China watcher by the Institute of International Relations at the China Foreign Affairs University in Beijing in 2015, holds a Ph.D. from Stanford University, 2015 (“A Tipping Point in U.S.-China Relations is Upon Us,” *U.S.-China Perception Monitor*, May 11th, Available Online at  [http://www.uscnpm.org/blog/2015/05/11/a-tipping-point-in-u-s-china-relations-is-upon-us-part-i/](http://asiafoundation.org/2015/07/29/china-and-the-united-states-a-conversation-with-david-m-lampton/), Accessed 06-29-2016)

For eight U.S. and five Chinese administrations, Washington and Beijing maintained remarkable policy continuity—broadly speaking, constructive engagement. This continuity has persisted despite periodic instabilities, problems, and crises. Some of these developments required time, flexibility, and wisdom to heal. They sometimes left scar tissue. But, none of these challenges ever destroyed overall assessments in both our nations that we each had fundamental, shared interests requiring cooperation and that the costs of conflict outweighed possible gains.

Assessments of relative power in both countries for much of the last four decades created few incentives in either society to rethink fundamental policy. Chinese seemingly were resigned to “live with the hegemon,” as one respected Chinese professor put it, and Americans were secure in their dominance and preoccupied with conflicts elsewhere. After the 9/11 attacks on America, China was seen as non-threatening, indeed willing to use some of its resources in the “War on Terror.” In a reflective moment after the 9/11 attacks, then Ambassador to China Sandy Randt delivered a speech to Johns Hopkins–SAIS in which he said, “We have seen the enemy, and it is not China.”

In the economic realm, expectations for growth in each society created common interests that subordinated many underlying frictions, whether economic or human rights. The positive balance between hope and fear tipped behavior toward restraint and patience. Things unfortunately have changed dramatically since about 2010. The tipping point is near. Our respective fears are nearer to outweighing our hopes than at any time since normalization.

We are witnessing the erosion of some critical underlying supports for predominantly positive U.S.-China ties. Though the foundation has not crumbled, today important components of the American policy elite increasingly are coming to see China as a threat to American “primacy.” In China, increasing fractions of the elite and public see America as an impediment to China’s achieving its rightful international role and not helpful to maintaining domestic stability.

Former Australian Prime Minister Kevin Rudd put it well, characterizing the narrative of an unidentified Chinese Communist Party document [perhaps the new National Security Blue Book], and analogous American thinking, in the following terms: “In Beijing’s eyes the U.S. is deeply opposed to China’s rise … American strategy toward China, it said, had five objectives: to isolate the country, contain it, diminish it, divide it, and sabotage its political leadership.” The American narrative, as Rudd described it, is hardly more positive about Beijing: “Beijing’s long-term policy is aimed at pushing the U.S. out of Asia altogether and establishing a Chinese sphere of influence spanning the region.”[1]

Since about 2008, there has been a sequence of regional and global developments and incidents that have provided fertile soil in which these negative narratives have grown in each of our societies. Among them are: the 2008 financial crisis, incidents in Hong Kong, developments in the south and east China seas, U.S. inability to quickly exit Middle Eastern and Central Asian quagmires, and the confusion in America and elsewhere about where China is headed internally and in terms of its foreign policy. Current Chinese debate over western (universal) values, subversion, and “black hands” unsettles most outside observers, not least Americans.

What is happening? If developments continue along the current trajectory, both countries will have progressively less security, at higher cost; the probabilities of intentional, accidental, or catalytic violent confrontations will increase; the world will enjoy less cooperation on transnational issues requiring joint Sino-American efforts; and, economic welfare in both societies will be diminished. What can be done?

Fundamentally, America has to rethink its objective of primacy and China must recalibrate its own sense of strength and what that entitles it to. Americans must find ways to accommodate China’s rightful desire for greater voice in international affairs and institutions such as the IMF, and China should improve relations with its neighbors—reassure them. The words “accommodation” or “compromise” in either China or the United States should not be dirty words. Both nations must be more realistic about their own power, what constitutes power, and how it can be exercised in a world in which a central reality is interdependence. Sino-American interdependence needs to be systematically reinforced, and joint security and economic institutions must be created. Balance and stability in Asia should be our objective, not the primacy of either side.

#### Finally, U.S.-China cooperation is crucial to address all global challenges.

Cohen et al. 9 — William S. Cohen, Chairman and CEO of The Cohen Group—a strategic business consulting firm, served as Secretary of Defense from 1997 until 2001, served in the U.S. Senate from 1979 to 1997 and in the U.S. House of Representatives from 1975 to 1979, et al., 2009 (“Smart Power in U.S.-China Relations,” *Smart Power in U.S.-China Relations: A Report of the CSIS Commission on China*, March, Available Online at http://csis.org/files/media/csis/pubs/090304\_mcgiffert\_uschinasmartpower\_web.pdf, Accessed 08-13-2012, p. 1)

The evolution of Sino-U.S. relations over the next months, years, and decades has the potential to have a greater impact on global security and prosperity than any other bilateral or multilateral arrangement. In this sense, many analysts consider the U.S.-China diplomatic relationship to be the most influential in the world. Without question, strong and stable U.S. alliances provide the foundation for the protection and promotion of U.S. and global interests. Yet within that broad framework, the trajectory of U.S.-China relations will determine the success, or failure, of efforts to address the toughest global challenges: global financial stability, energy security and climate change, nonproliferation, and terrorism, among other pressing issues. Shepherding that trajectory in the most constructive direction possible must therefore be a priority for Washington and Beijing. Virtually no major global challenge can be met without U.S.-China cooperation.

### Plan

#### The United States federal government should negotiate a grand bargain with the People’s Republic of China by offering to end its commitment to defend Taiwan against Chinese aggression in return for China peacefully resolving its maritime and land disputes in the South China and East China Seas and officially accepting the United States’ long-term military security role in East Asia.

### Solvency

#### First, the plan removes the biggest potential flashpoint for U.S.-Sino nuclear conflict. This creates sustainable peace and strong U.S.-Sino relations — containment strategies are counterproductive.

Glaser 11 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2011 (“Will China's Rise Lead to War? Why Realism Does Not Mean Pessimism,” *Foreign Affairs*, Volume 90, Number 2, March/April, Available Online to Subscribing Institutions via Lexis-Nexis)

Accommodation On Taiwan?

The prospects for avoiding intense military competition and war may be good, but growth in China's power may nevertheless require some changes in U.S. foreign policy that Washington will find disagreeable -- particularly regarding Taiwan. Although it lost control of Taiwan during the Chinese Civil War more than six decades ago, China still considers Taiwan to be part of its homeland, and unification remains a key political goal for Beijing. China has made clear that it will use force if Taiwan declares independence, and much of China's conventional military buildup has been dedicated to increasing its ability to coerce Taiwan and reducing the United States' ability to intervene. Because China places such high value on Taiwan and because the United States and China — whatever they might formally agree to — have such different attitudes regarding the legitimacy of the status quo, the issue poses special dangers and challenges for the U.S.-Chinese relationship, placing it in a different category than Japan or South Korea.

A crisis over Taiwan could fairly easily escalate to nuclear war, because each step along the way might well seem rational to the actors involved. Current U.S. policy is designed to reduce the probability that Taiwan will declare independence and to make clear that the United States will not come to Taiwan's aid if it does. Nevertheless, the United States would find itself under pressure to protect Taiwan against any sort of attack, no matter how it originated. Given the different interests and perceptions of the various parties and the limited control Washington has over Taipei's behavior, a crisis could unfold in which the United States found itself following events rather than leading them.

Such dangers have been around for decades, but ongoing improvements in China's military capabilities may make Beijing more willing to escalate a Taiwan crisis. In addition to its improved conventional capabilities, China is modernizing its nuclear forces to increase their ability to survive and retaliate following a large-scale U.S. attack. Standard deterrence theory holds that Washington's current ability to destroy most or all of China's nuclear force enhances its bargaining position. China's nuclear modernization might remove that check on Chinese action, leading Beijing to behave more boldly in future crises than it has in past ones. A U.S. attempt to preserve its ability to defend Taiwan, meanwhile, could fuel a conventional and nuclear arms race. Enhancements to U.S. offensive targeting capabilities and strategic ballistic missile defenses might be interpreted by China as a signal of malign U.S. motives, leading to further Chinese military efforts and a general poisoning of U.S.-Chinese relations.

Given such risks, the United States should consider backing away from its commitment to Taiwan. This would remove the most obvious and contentious flash point between the United States and China and smooth the way for better relations between them in the decades to come. Critics of such a move argue that it would result in not only direct costs for the United States and Taiwan but indirect costs as well: Beijing would not be satisfied by such appeasement; instead, it would find its appetite whetted and make even greater demands afterward — spurred by Washington's lost credibility as a defender of its allies. The critics are wrong, however, because territorial concessions are not always bound to fail. Not all adversaries are Hitler, and when they are not, accommodation can be an effective policy tool. When an adversary has limited territorial goals, granting them can lead not to further demands but rather to satisfaction with the new status quo and a reduction of tension.

#### Second, a *quid-pro-quo* grand bargain is key — it maintains U.S. resolve.

Glaser 15 — Charles L. Glaser, Professor of Political Science and International Affairs and Director of the Institute for Security and Conflict Studies at the Elliott School of International Affairs at George Washington University, Fellow in the Kissinger Institute at the Woodrow Wilson International Center for Scholars, former Emmett Dedmon Professor of Public Policy and Acting Dean at the Harris School of Public Policy at the University of Chicago, former Strategic Analyst for the Joint Staff in the Pentagon, holds a Ph.D. and a Master’s in Public Policy from the Kennedy School of Government at Harvard University, 2015 (“A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security*, Volume 39, Number 4, Spring, Available Online to Subscribing Institutions via MIT Press Journals)

Insisting on Chinese concessions would also demonstrate U.S. resolve to protect American interests. By making its willingness to end its commitment to Taiwan contingent on Chinese concessions, the United States would make clear that it is willing to run the risk of protecting Taiwan and its allies' interests in the South China and East China Seas, if China were uncompromising. Once again, the key issue from the U.S. perspective comes back to information—if China is more likely to have unlimited aims, then the risks of U.S. accommodation are larger and the United States should therefore be less willing to adopt this strategy. As argued above, China's refusal to accept a grand bargain, especially one that is so clearly weighted toward its interests (unless China is determined to push the United States out of Northeast Asia), would indicate more ambitious Chinese aims. Thus, compared to unilateral concessions, insisting on a package deal that included Chinese concessions would demonstrate a higher level of U.S. resolve. In addition, resolution of the maritime disputes would directly increase U.S. security by eliminating disputes that, via alliance commitments, could draw the United States into dangerous crises with China.

### 1NC Off case positions

Elections DA, Deterrence DA, Strategic Clarity CP, T-Not QPQ, Security K